



CITY OF MORRO BAY CITY COUNCIL AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting – Tuesday, June 25, 2019 Veterans Memorial Hall - 5:30 P.M. 209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS

- Presentation of Cookie Crock Proclamation

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

Public comment is an opportunity for members of the public to provide input to the governing body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- Those desiring to speak are asked to complete a speaker slip, which are located at the entrance, and submit it to the City Clerk. However, speaker slips are not required to provide public comment.
- When recognized by the Mayor, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Mayor, comments are to be limited to three minutes.
- All remarks should be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.
- The Council in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

- A-1 APPROVAL OF MINUTES FOR THE MAY 28, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE JUNE 11, 2019, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 PROCLAMATION RECOGNIZING THE COOKIE CROCK FOR THEIR GENEROUS
CONTRIBUTIONS TO THE MORRO BAY COMMUNITY; (ADMINISTRATION)

RECOMMENDATION: Approved as submitted.

- A-4 RECERTIFICATION OF THE UPDATED SEWER SYSTEM MANAGEMENT PLAN;
(PUBLIC WORKS)

RECOMMENDATION: Council recertify the proposed Sewer System Management Plan (SSMP).

- A-5 ADOPT RESOLUTION NO. 49-19 ESTABLISHING THE ANNUAL PROPOSITION 4
APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2019/20; (FINANCE)

RECOMMENDATION: City Council adopt Resolution No. 49-19, which sets the FY 2019/20 appropriations limit at \$28,065,499.

- A-6 ADOPT RESOLUTION NO. 50-19 APPROVING A NEW TEMPORARY LICENSE
AGREEMENT FOR OPERATION OF BAITING SERVICES WITH MORRO BAY
COMMERCIAL FISHERMEN OWEN HACKLEMAN, ROGER CULLEN AND WILLIAM
DILLER; (HARBOR)

RECOMMENDATION: City Council adopt Resolution No. 50-19 approving a new two-year Temporary License Agreement with Morro Bay commercial fishermen Owen Hackleman, Roger Cullen and William Diller for commercial baiting services in a portion of the Harbor Department storage yard, that includes an option to extend for one two-year period.

- A-7 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL
PROJECT MONTHLY UPDATE REPORT; (PUBLIC WORKS)

RECOMMENDATION: Council receive WRF Capital Project Monthly Update Report.

- A-8 AGREEMENT BETWEEN THE CITY AND MORRO BAY CHAMBER OF COMMERCE
FOR ECONOMIC DEVELOPMENT FACILITATION SUPPORT SERVICES; (CITY
MANAGER)

RECOMMENDATION: Approve the proposed agreement with the Morro Bay Chamber of Commerce to provide economic development services for the City and approve the City Manager executing in substance the proposed agreement.

- A-9 ADOPTION OF RESOLUTIONS APPROVING THE CITY OF MORRO BAY ACCOUNTING AND FINANCIAL REPORTING POLICIES RELATED TO COMPUTER DISASTER RECOVERY PLAN, CAPITAL ASSETS, CITY CREDIT CARDS, TRAVEL, REIMBURSEMENT, CASH ADVANCE, DONATIONS, GRANT MANAGEMENT, UTILITY PAYMENT ARRANGEMENT, LEAK REVIEW, APPROVED PAYMENT TYPES, AND CHANGE OF PRIMARY ACCOUNT HOLDER; (FINANCE)

RECOMMENDATION: City Council adopt Resolution Nos. 58-19 through 62-19 approving the City of Morro Bay's Accounting and Financial Reporting Policies related to Computer Disaster Recovery Plan, Capital Assets, City Credit Cards, Travel, Reimbursement, Cash Advance, Donations, Grant Management, Utility Payment Arrangement, Leak Review, Approved Payment Types, and Change of Primary Account Holder.

B. PUBLIC HEARINGS

- B-1 ADOPTION OF RESOLUTION NO. 51-19 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT (PUBLIC WORKS)

RECOMMENDATION: City Council conduct the final public hearing and adopt Resolution No. 51-19, approving the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2019/20.

- B-2 ADOPTION OF RESOLUTION NO. 52-19 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT (PUBLIC WORKS)

RECOMMENDATION: City Council conduct the public hearing and approve the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance District by adopting Resolution No. 52-19.

- B-3 PUBLIC HEARING TO REPORT ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AND ADOPT RESOLUTION NO. 53-19 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES (PUBLIC WORKS)

RECOMMENDATION: City Council conduct a public hearing to receive the report on delinquent solid waste collection fees, hear any objections or protests to the report, and adopt Resolution No. 53-19 to confirm the report, so as to authorize the delinquent fees as assessments due as tax liens against the respective properties.

C. BUSINESS ITEMS

- C-1 REVIEW PROGRESS UPDATE FROM CENTRAL COAST AQUARIUM FOR POTENTIAL FUTURE MORRO BAY AQUARIUM; (CITY MANAGER)

RECOMMENDATION: City Council receive and file the 90-day update from Central Coast Aquarium (CCA).

- C-2 ADOPTION OF RESOLUTION NOS. 54-19 AND 55-19 AUTHORIZING THE FILING OF TWO SEPARATE APPLICATIONS WITH THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO COMMENCE PROCEEDINGS FOR (I) A SPHERE OF INFLUENCE DESIGNATION AND ANNEXATION OF THE 27.6-ACRE PROPERTY THE CITY WILL BE PURCHASING FROM TRI-W, INC. (TRI-W) FOR THE CONSTRUCTION AND OPERATION OF THE WATER RECLAMATION FACILITY (WRF) AND (II) A SPHERE OF INFLUENCE DESIGNATION FOR THE REMAINING PORTION OF THE TRI-W PROPERTY THE CITY IS NOT PURCHASING; (PUBLIC WORKS)

RECOMMENDATION: City Council adopt Resolution Nos. 54-19 and 55-19 authorizing staff to complete and submit an application to LAFCO for a sphere of influence designation for the approximately 400-acre Tri W, property near South Bay Boulevard and annexation of 27.6 acres (South Bay Site) of that property (Assessor's Parcel Number 073-101-017).

- C-3 ADOPTION OF RESOLUTION NO. 56-19 CREATING THE MORRO BAY PUBLIC FACILITIES CORPORATION NEEDED TO FACILITATE FINANCING OF THE WATER RECLAMATION FACILITIES AND OTHER FUTURE CAPITAL PROJECTS; (PUBLIC WORKS)

RECOMMENDATION: City Council adopt Resolution No. 56-19 authorizing the creation of the Morro Bay Public Facilities Corporation.

- C-4 ADOPTION OF RESOLUTION NO. 57-19 APPROVING REQUEST FOR CONSOLIDATED COASTAL DEVELOPMENT PERMIT PROCESSING FOR CAYUCOS SANITARY DISTRICT SEWER INFRASTRUCTURE & PUBLIC LOT CREATION; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: City Council adopt Resolution No. 57-19, approving request for consolidated coastal development permit processing for Cayucos Sanitary District and public lot creation.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, July 9, 2019 at 5:30 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

PRESENT:	John Headding	Mayor
	Dawn Addis	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Jody Cox	Police Chief
	Eric Endersby	Harbor Director
	Jennifer Little	Tourism Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:32 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/vIH4pVMTmiQ?t=81>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS - None

PRESENTATIONS

- Hourglass Project Presentation by President/CEO, Melissa James, and Vice President, Andrew Hackleman
<https://youtu.be/vIH4pVMTmiQ?t=495>
- Chamber of Commerce Quarterly Presentation by President/CEO, Erica Crawford
<https://youtu.be/vIH4pVMTmiQ?t=1458>

PUBLIC COMMENT

<https://youtu.be/vIH4pVMTmiQ?t=2123>

Shannon Casey, Rancho Olivos, provided the business spot. They began a farm business making artisan olive oils 8 years ago in the Santa Ynez Valley and recently opened a retail shop at 699 Embarcadero. Visit www.ranchoolivos.com for more information or call (818) 426-2512.

Linda Winters, Morro Bay, spoke regarding the importance of mobile home rent control ordinances to protect mobile home park living as an affordable housing alternative.

Chloe Hartsten, a Los Osos Middle School Student, shared information regarding the negative impacts of plastics on the planet.

Mimi Goldberg, Morro Bay, asked about the bocce ball courts and greenhouse located on Dunes Street.

Mayor Heading closed public comment.

The Council and staff responded to issues raised during public comment.

A. CONSENT AGENDA
<https://youtu.be/vIH4pVMTmiQ?t=2985>

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE APRIL 18, 2019, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MAY 7, 2019, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 ADOPTION OF RESOLUTION NO. 36-19 AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A NEW LOAN FOR THE LEASE AGREEMENT AT LEASE SITE 124-128/124W-128W AND 113W (ROBERT FOWLER/MORRO BAY LANDING, LOCATED AT 1213, 1215 AND 1217 EMBARCADERO), INCLUDING ACCEPTING A DEED OF TRUST AND MEMORANDUM OF LEASE RELATED THERETO FOR IMPROVEMENTS TO THE LEASED PROPERTY, AND APPROVAL OF AN EXTENSION TO THE LEASE-MANDATED DEADLINE FOR COMPLETION OF IMPROVEMENTS TO THE LEASED PROPERTY; (HARBOR)

RECOMMENDATION: City Council adopt Resolution No. 36-19 authorizing the Mayor to execute documents necessary for a new loan regarding the leasehold interest at Lease Site 124-128/124W-128W and 113W, for improvements to the leased property subject to approval of the City Attorney and Harbor Director. The Resolution also allows the recordation of a deed of trust and memorandum of lease related to the Loan, and approves an extension of the deadline for the lessee to complete the lease site redevelopment improvements as stipulated in the lease agreement.

A-4 REVIEW WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT; (PUBLIC WORKS)

RECOMMENDATION: Council receive WRF Capital Project Monthly Update Report.

A-5 AUTHORIZATION FOR CITY OF MORRO BAY, AS LESSOR FOR MORRO DUNES TRAILER PARK AND CAMPGROUND, INC. LOCATED AT 1700 EMBARCADERO, TO CONSENT TO FINANCING FOR A NEW SOLAR CARPORT STRUCTURE AND AGREE TO THE TERMS OF A SEVERANCE AND CONSENT AGREEMENT SO AS TO

SECURE AS COLLATERAL FOR LENDER THE SOLAR CARPORT STRUCTURE;
(COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council authorize City Manager to execute a Severance and Consent Agreement with Rabobank, N.A., Morro Dunes Trailer Park and Campground, Inc. and Cayucos Sanitary District through passage of Resolution No. 37-19.

A-6 ADOPTION OF RESOLUTION NO. 40-19 AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A NEW LOAN FOR THE MASTER LEASE AGREEMENT AT LEASE SITE 82-85/82W-85W (DOUG REDICAN/725 EMBARCADERO, LLC, LOCATED AT 725 EMBARCADERO AND OPERATING AS ROSE'S LANDING), INCLUDING ACCEPTING A DEED OF TRUST AND MEMORANDUM OF LEASE RELATED THERETO FOR IMPROVEMENTS TO THE LEASED PROPERTY; (HARBOR)

RECOMMENDATION: City Council adopt Resolution No. 40-19 authorizing the Mayor to execute documents necessary for a new loan (Loan) regarding the leasehold interest at Lease Site 82-85/82W-85W, for improvements to the leased property subject to approval of the City Attorney and Harbor Director. The Resolution also allows the recordation of a deed of trust and memorandum of lease related to the Loan.

Mayor Heading opened public comment for the Consent Agenda; seeing none, the public comment period was closed.

Council Members Heller and McPherson pulled Item A-4.

MOTION: Council Member Davis moved for approval of all items on Consent except Item A-4. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

A-4 REVIEW WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT; (PUBLIC WORKS)
<https://youtu.be/vIH4pVMTmiQ?t=3051>

Council Member Heller found the report unacceptable and was concerned some members of the Citizens Finance Advisory Committee were not satisfied with the report.

Council Member McPherson stated while one member was unhappy, the others were not. She appreciated the Committee's recommendation to add two additional tables, which would not be an undue burden on staff, or to truncate the two charts to show the timeline from the beginning of this current project in September 2017 when the project site, recycling component and advanced treatment were approved by the Council.

MOTION: Council Member McPherson moved the Council receive the report as is. The motion was seconded by Council Member Addis.

Council Member Davis asked what the purpose of CFAC's review of the document is intended to accomplish. He agreed there were some questions but that the report format had been approved by the Council.

The motion carried 4-1 with Council Member Heller opposed.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

With the concurrence of Council, Item C-2 was placed ahead of Item C-1.

- C-2 ONE-YEAR PARTNERSHIP AGREEMENT WITH PROJECT SURF CAMP; (CITY MANAGER)
<https://youtu.be/vIH4pVMTmiQ?t=3566>

Mr. Collins presented the staff report and invited John Taylor to share information about the program.

MOTION: Council Member Addis moved the Council authorize the City Manager to execute a one-year Partnership Agreement with Project Surf Camp (PSC), in a form approved by the City Attorney. The motion was seconded by Council Member Davis.

Mayor Heading opened public comment for Item C-2.

Bob Keller, Morro Bay, shared Project Surf Camp is one of his favorite volunteer opportunities.

The public comment period for Item C-2 was closed.

The motion carried 5-0 by roll call vote.

- C-1 CONSIDERATION OF THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ANNUAL REPORT AND CONTINUATION OF THE TBID ASSESSMENT FOR FISCAL YEAR (FY) 2019/20; AND ADOPTION OF RESOLUTION NO. 41-19 DECLARING THE INTENT TO CONTINUE THE PROGRAM AND LEVY ASSESSMENTS FOR THE FISCAL YEAR 2019/20 AND SCHEDULING A PUBLIC HEARING TO LEVY THE ASSESSMENTS; (CITY MANAGER/TOURISM)
<https://youtu.be/vIH4pVMTmiQ?t=4309>

City Manager Collins and Tourism Manager Little presented the staff report and responded to Council questions.

The public comment period for Item C-1 was opened; seeing none, the public comment period was closed.

MOTION: Council Member Davis moved the Council approve the Fiscal Year 2019/20 Annual Report for expenditure of funds to be derived from the annual assessment and adopt Resolution No. 41-19 declaring the intent to continue the program and levy assessments for the Fiscal Year 2019/20. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

- C-3 OPTIONS TO ENHANCE COMMUNICATION AND ENGAGEMENT WITH THE COMMUNITY; (CITY MANAGER)
<https://youtu.be/vIH4pVMTmiQ?t=5550>

As the Council Member who requested the agenda item, Mr. Heller provided opening comments. Mr. Collins presented the staff report and responded to Council questions.

The public comment period for Item C-3 was opened.

Bob Keller, Morro Bay, stated communication and engagement with current staff has been outstanding.

The public comment period for Item C-3 was closed.

The Council expressed appreciation for staff's commitment to providing both formal and informal opportunities to receive public input and for its open door policy. They encouraged an expanded use of Polco and more outreach to community organizations and service groups. It was suggested information from the City Manager Update regarding accomplishments or upcoming events be shared during announcements.

The Council did not take any formal action on this item.

The Council took a brief recess at 7:36 p.m. The meeting reconvened at 7:44 p.m. with all members present.

C-4 DISCUSS, AND CONSIDER CHANGING, CITY COUNCIL REGULAR MEETING END TIME; CONSIDERATION OF RESOLUTION NO. 39-19 AMENDING THE CITY COUNCIL POLICIES & PROCEDURES TO CHANGE CITY COUNCIL REGULAR MEETING END TIME; (CITY MANAGER)
<https://youtu.be/vIH4pVMTmiQ?t=7567>

Mr. Collins presented the report and responded to Council questions.

The public comment period for Item C-4 was opened.

Bob Keller, Morro Bay, spoke in support of the staff recommendation.

The public comment period for Item C-4 was closed.

There was Council consensus setting an earlier adjournment time encourages public participation and more efficient meetings. It was noted the Council would still have the option to extend the meeting beyond 9:30, when needed, to complete important items.

Council Member McPherson respectfully disagreed and was concerned an arbitrary end time would limit discussion or result in items being pushed to future meetings.

MOTION: Council Member Davis moved the Council adopt Resolution No. 39-19, amending City Council Policies and Procedures Manual, Chapter One "Meeting Guidelines & Procedures," section 1.1.2., to change the regular City Council meeting span from 5:30 p.m. to 10:30 p.m., to new span of 5:30 p.m. to 9:30 p.m. The motion was seconded by Council Member Addis.

AMENDED MOTION: Council Member Davis amended the motion to make the effective date the first meeting in July. Council Member Addis seconded the amended motion. The motion carried 4-1 by roll call vote with Council Member McPherson opposed.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/vIH4pVMTmiQ?t=8845>

Council Member Addis requested consideration of a socially conscious investment policy that would allow the City to prioritize investments in companies that are taking action to combat climate change, so long as it would not negatively impact the rate of return. Mayor Headding suggested a broader look to include social justice. There was full Council support for this item.

E. ADJOURNMENT

The meeting adjourned at 8:10 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
JUNE 11, 2019 – 3:00 P.M.
CITY HALL CONFERENCE ROOM

AGENDA NO: A-2
MEETING DATE: June 25, 2019

PRESENT: John Headding Mayor
 Dawn Addis Council Member (*arrived at 3:05 pm*)
 Robert Davis Council Member
 Jeff Heller Council Member
 Marlys McPherson Council Member

STAFF: Scott Collins City Manager
 Chris Neumeyer City Attorney
 Scot Graham Community Development Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 3:00 p.m. with all but Council Member Addis present.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT – Mayor Headding opened public comment for items on the agenda; seeing none, the public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

Property: 714 Embarcadero, 781 Market Street and parking lot; APNs 066-321-028, 066-321-027, 066-321-026, 066-321-025, 066-112-007, 006-321-008
Property Negotiator: Grupe Commercial Company
Property Negotiator: King Ventures
Property Negotiator: Ram Krupa Real Estate, LLC
Agency Negotiators: Scott Collins, City Manager; Scot Graham, Community Development Director; and Chris Neumeyer, City Attorney
Negotiation: Price and Terms of Payment

CS-2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Conduct an employee evaluation of City Manager pursuant to Government Code section 54957

Item CS-2 was continued from the May 29, 2019 Special Closed City Council Meeting due exclusively to unanticipated time constraints and to ensure participation by the entire City Council.

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 5:15 p.m.

Recorded by:

Dana Swanson
City Clerk

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**A PROCLAMATION OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY RECOGNIZING THE COOKIE
CROCK FOR THEIR GENEROUS CONTRIBUTIONS TO
THE MORRO BAY COMMUNITY**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, Cookie Crock is the longest continuously operated, locally owned independent Super Market on the Central Coast; and

WHEREAS, Cookie Crock began in 1965 as a Cambria bakery and later evolved into three full-service supermarkets, one each in Cambria, Morro Bay and Arroyo Grande; and

WHEREAS, Cookie Crock often referred to as “The Crock” as it was a place to buy groceries, meats, produce and more; and

WHEREAS, Cookie Crock had a willingness to give back to the community; and

WHEREAS, The City of Morro Bay recognizes Cookie Crock for their generous support of our local schools, sports teams, non-profit organizations and donations of food to the Morro Bay Community Dinners held on Monday nights at the Veteran’s Hall.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby recognize the Cookie Crock for their generous contributions to the City of Morro Bay Community.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 25th day of June, 2019.

JOHN HEADDING, Mayor
City of Morro Bay, California

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AGENDA NO: A-4

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 18, 2019
FROM: Joe Mueller – Utilities Division Manager
Rob Livick PE/PLS – Public Works Director/City Engineer
SUBJECT: Recertification of the Updated Sewer System Management Plan

RECOMMENDATION

Staff recommends the Council recertify the proposed Sewer System Management Plan (SSMP).

ALTERNATIVES

Recertification of the SSMP every five years by the City Council is a requirement of Water Quality Order No. 2006-003-DWQ General Waste Discharge Requirements for Sanitary Sewer Systems. Failure to recertify the updated SSMP, would result in the City being out of compliance with Order No. 2006-003-DWQ General Waste Discharge Requirements for Sanitary Sewer Systems. Therefore, no alternative is recommended.

FISCAL IMPACT

No fiscal impact as a result of this plan. Fiscal impact is addressed through the budget process.

BACKGROUND AND DISCUSSION

In 2006, the State Water Resources Control Board (SWRCB) adopted Order No. 2006-003-DWQ Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (WDR). In May 2013, the SWRCB approved Order No WQ 2013-0058-EXEC amending the Monitoring and Reporting Program (MRP) for the WDR. The amended MRP is an effort to more accurately and completely capture information pertaining to Sanitary Sewer Overflows (SSO) and includes revisions to SSO categories and their associated reporting requirements.

The WDR created a centralized statewide mechanism to manage all publicly owned wastewater collection agencies. A principal element of the WDR is the requirement the Collection Agencies adopt and maintain a management plan for the system referred to as an SSMP. The WDR requires the owners of a wastewater collection system, with more than a mile of pipeline, have a SSMP to reduce the number and severity of sanitary sewer overflows.

The SSMP includes eleven mandatory elements ranging in complexity from preparing goals and a mission statement, to performing a complete collection system capacity assessment. The SSMP must include provisions to provide proper and efficient management, operation, and maintenance of sanitary sewer systems while taking into consideration risk management and cost benefit analysis. Additionally, an SSMP must contain a spill response plan that establishes standard procedures for immediate response to an SSO in a manner designed to minimize water quality impacts and potential nuisance conditions. The purpose of the SSMP is to implement a set of Best Management Practices into the

Prepared By: JM Dept Review: RL
City Manager Review: SC City Attorney Review: JWP

operations of all the collection systems in the State.

The City Council approved the first SSMP in June 2009, following presentations to the Council and Public Works Advisory Board that allowed for review and public comments during the development of the specific sections of the SSMP. That approval process followed the requirements of the SWRCB for the SSMP to be approved by the enrollee's governing board at a public meeting.

The WDR requires the City conduct periodic internal audits at a minimum of every two years. The audits focus on evaluating the effectiveness of the SSMP and the City's compliance with the SSMP requirements, including identification of any deficiencies in the SSMP and steps to correct them. Audits have been conducted and completed by staff from the City's Collection and Engineering Divisions. Overall, the audits indicated the City's SSMP is meeting the requirements of both the SSMP and SWRCB. Minor modifications however were made to reflect current operations and maintenance practices.

The WDR requires the SSMP be updated every five years to capture any significant program changes and be re-certified by the City Council. To complete the re-certification process, City staff must upload a City Council approved SSMP e-copy into the Online SSO Database or provide a URL address where the SSMP is located on the City's website. The due date for the re-certification of the SSMP is June 2019.

Summary of Revisions

Overall, the SSMP meets the requirements and the intent of the WDR. It contains elements and programs that have been field tested and refined through work practices in the field. The SSMP has been used effectively as a management and planning guide since its adoption in 2009. The SSMP has also been a valuable reference document for field crews. Prior to 2009, the City and its collection crews performed most of the elements contained within the SSMP; but the subject elements were not contained within a single document that had been approved by City Council. The effectiveness of the SSMP is also demonstrated by the reduction/lack of SSOs within the City collection system.

CONCLUSION:

Staff recommends the recertification of the updated SSMP.

ATTACHMENT

[Sewer System Management Plan \(SSMP\)](#)

Government Code Section 7910(a) states: “Each year, the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit and make other necessary determinations for the following fiscal year, pursuant to Article XIII B of the California Constitution, at a regularly scheduled meeting or noticed special meeting. Fifteen days prior to the meeting, documentation used in the determination of the appropriations limit and other necessary determinations shall be available to the public. The determinations made pursuant to this section are legislative acts.”

Staff prepared the documentation on June 11, 2019, and it was available at City Hall, for public review.

DISCUSSION:

According to the estimates received from the California Department of Finance office, the population of Morro Bay decreased by -0.56 percent between January 1, 2018 and January 1, 2019, while the San Luis Obispo County population increased by 0.24 percent for that same time period. The City is provided greater local control by using the larger of the two percentages, which is the County population growth factor this year. The CPCPI increased by 3.85 percent. Applying these factors results in:

Prior year limit		\$26,960,330
Multiply by CPCPI change	x	1.0385
Multiply by SLO County in population	x	<u>1.0024</u>
Equals	=	<u>\$28,065,499</u>

The FY 2019/20 budget estimate of revenues from the proceeds of taxes is \$14,450,666, which is well below the appropriations limit, being at \$13,614,833, or 49%.

The calculation of estimated proceeds of taxes for FY 2019/20 is shown in detail in Attachment 2.

The calculation of FY 2019/20 Appropriations Limit is shown in Attachment 3, along with a historical listing of prior year limits.

Attachment 4 is a copy of the California Department of Finance's change in population estimates between January 1, 2018, and January 1, 2019 and the California Department of Finance's cover letter and published CPCPI price factor.

Attachments

1. Resolution No. 49-19 Establishing the Annual Proposition 4 Appropriations Limit for FY 2019/20
2. Calculation of the Estimated Proceeds of Taxes for FY 2019/20
3. Calculation of FY 2019/20 Appropriations Limit
4. California Department of Finance Published CPCPI and Population Estimates

RESOLUTION NO. 49-19

**RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE ANNUAL PROPOSITION 4
APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2019/20**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, Article XIII B of the California Constitution restricts the appropriation of tax proceeds that the City receives in any given fiscal year; and

WHEREAS, the City has calculated the FY 2019/20 appropriations limit, in accordance with the provisions of Article XIII B of the California Constitution; and

WHEREAS, Proposition 111 of June 1990 requires an annual election of the methodology used in the calculation of the current year appropriations limit.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, to adopt Resolution No. 49-19, which accepts the calculation of the FY 2019/20 appropriations limit, as prepared by the Morro Bay Finance Department, and establishes the FY 2019/20 appropriations limit at \$28,065,499.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 25th day of June 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

**CITY OF MORRO BAY
APPROPRIATION LIMIT DOCUMENTATION
FISCAL YEAR 2019/20**

	General	District Trans Tax	MBTBID	CTMD	GFER	GF Fac Maint	Special Gas Tax	CDBG	Traffic Safety	SLESF COPS	Transit	LTF Roads	LTF Bikepaths	Water Ops
Property taxes	4,536,513	-	-	-	-	-	-	-	-	-	-	-	-	-
Other taxes:														
Sales tax	2,165,680	1,096,000	-	-	-	-	-	-	-	-	-	-	-	-
Franchises fees	536,136	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	3,947,076	-	829,644	369,047	-	-	-	-	-	-	-	-	-	-
Licenses/permits	109,859	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from other agencies:														
Intergovernmental	44,540	-	-	-	-	-	460,237	-	-	100,000	734,971	-	9,395	-
State/County grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use of money and property:														
Interest	-	-	-	-	-	-	-	-	-	-	2,000	-	-	-
Rent	410,341	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines/Forfeitures	5,000	-	-	-	-	-	-	-	10,000	-	-	-	-	-
Charges for services	1,648,395	-	-	-	-	-	-	-	-	-	32,100	-	-	6,131,200
Other revenues	36,237	-	161,000	-	-	-	-	-	-	-	5,500	-	-	1,654,000
	13,439,777	1,096,000	990,644	369,047	-	-	460,237	-	10,000	100,000	774,571	-	9,395	7,785,200

	Sewer Ops	Harbor Ops	Risk Management	Special Assessmt LMD	Special Assessmt LMD Cloisters	MB/CSD WWTF	Gov Impact	Unfunded Leaves	State Park Marina	Housing In-Lieu	Water Accum	Sewer Accum	Harbor Accum	TOTAL ESTIMATED REVENUES
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	4,536,513
Other taxes:														
Sales tax	-	-	-	-	-	-	-	-	-	-	-	-	-	3,261,680
Franchises fees	-	-	-	-	-	-	-	-	-	-	-	-	-	536,136
Other	-	-	-	8,619	148,944	-	-	-	-	-	-	-	-	5,303,330
Licenses/permits	-	-	-	-	-	-	-	-	-	-	-	-	-	109,859
Revenue from other agencies:													250,000	
State	-	-	-	-	-	-	-	-	-	-	-	-	-	1,349,143
State/County grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal grants	-	28,000	-	-	-	-	-	-	-	-	-	-	-	28,000
Use of money and property:														
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	410,341
Fines/Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000
Charges for services	7,246,000	1,950,800	1,521,384	-	-	2,610,832	32,650	-	92,000	-	-	-	-	21,265,361
Other revenues	2,173,000	-	-	-	-	-	-	-	-	-	-	-	-	4,029,737
	9,419,000	1,978,800	1,521,384	8,619	148,944	2,610,832	32,650	-	92,000	-	-	-	250,000	40,845,100

**CITY OF MORRO BAY
APPROPRIATION LIMIT DOCUMENTATION
FISCAL YEAR 2019/20**

PROCEEDS OF TAXES CALCULATION

APPROPRIATION LIMIT CALCULATION

	[1] PROCEEDS OF TAXES	PROCEEDS OTHER THAN TAXES	TOTAL ESTIMATED REVENUES	YEAR	[2] CALIFORNIA PCPI CHANGE	[3] POPULATION CHANGE	LIMIT
PROPERTY TAXES	\$ 4,536,513		\$ 4,536,513	1978-79	BASE YEAR		\$ 3,046,393
OTHER TAXES	8,565,010	536,136	9,101,146	1979-80	10.17%	1.38%	3,402,527
PERMITS		109,859	109,859	1980-81	10.53%	0.26%	3,770,591
REVENUE FROM AGENCIES				1981-82	9.12%	1.39%	4,171,660
STATE	1,349,143		1,349,143	1982-83	6.79%	2.04%	4,545,796
STATE/COUNTY GRANTS	-	-	-	1983-84	2.35%	1.81%	4,736,835
FEDERAL GRANTS	-	28,000	28,000	1984-85	4.74%	1.75%	5,048,185
USE OF MONEY & PROPERTY				1985-86	3.74%	1.62%	5,321,826
INTEREST	-	-	-	1986-87	2.30%	4.12%	5,668,530
RENT		410,341	410,341	1987-88	3.04%	2.93%	6,011,990
FINES & FORFIETURES		15,000	15,000	1988-89	3.93%	3.83%	6,487,570
CHARGES FOR SERVICES		21,265,361	21,265,361	1989-90	4.98%	3.92%	7,077,629
OTHER REVENUES		4,029,737	4,029,737	1990-91	4.21%	4.59%	7,714,137
	<u>\$ 14,450,666</u>	<u>\$ 26,394,434</u>	<u>\$ 40,845,100</u>	1991-92	4.14%	3.04%	8,277,721
				1992-93	-0.64%	1.00%	8,306,991
				1993-94	2.72%	1.86%	8,691,654
				1994-95	0.71%	1.40%	8,875,912
				1995-96	4.72%	1.60%	9,443,573
				1996-97	4.67%	2.31%	10,112,922
				1997-98	4.67%	2.06%	10,803,250
				1998-99	4.15%	2.70%	11,555,378
				1999-2000	4.53%	2.28%	12,354,234
				2000-01	4.91%	2.46%	13,279,663
				2001-02	7.82%	1.60%	14,547,223
				2002-03	-1.27%	1.80%	14,620,998
				2003-04	2.31%	1.32%	15,156,198
				2004-05	3.28%	1.15%	15,833,334
				2005-06	5.26%	1.19%	16,864,495
				2006-07	3.96%	0.73%	17,660,315
				2007-08	4.42%	0.96%	18,617,934
				2008-09	4.29%	1.12%	19,634,110
				2009-10	0.62%	1.01%	19,955,375
				2010-11	-2.54%	0.87%	19,617,710
				2011-12	2.51%	1.09%	20,329,315
				2012-13	3.77%	0.47%	21,194,880
				2013-14	5.12%	0.52%	22,395,914
				2014-15	-0.23%	0.09%	22,364,513
				2015-16	3.82%	0.78%	23,399,944
				2016-17	5.37%	0.77%	24,846,376
				2017-18	3.69%	0.59%	25,915,210
				2018-19	3.67%	0.35%	26,960,330
				2019-20	3.85%	0.24%	28,065,499
							PROCEEDS OF TAXES
							<u>14,450,666</u>
							PROCEEDS OF TAXES
							UNDER APPROPRIATION LIMIT
							<u>\$ 13,614,833</u>

[1] Per City of Morro Bay FY 19/20 Adopted Annual Budget, total *All Funds Revenues* less transfers.

[2] Per State Department of Finance (per capita personal income); FY 19/20 = 3.85%

[3] Per State Department of Finance (population growth of City or County, whichever is greater); FY 19/20 MB = -0.56%; SLO County = 0.24%



May 2019

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2019, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2019-20. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2019-20 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2019.**

Please Note: The prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

KEELY BOSLER
Director
By:

Vivek Viswanathan
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2019-20 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2019-20	3.85

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2019-20 appropriation limit.

2019-20:

Per Capita Cost of Living Change = 3.85 percent
Population Change = 0.47 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.85 + 100}{100} = 1.0385$

Population converted to a ratio: $\frac{0.47 + 100}{100} = 1.0047$

Calculation of factor for FY 2019-20: $1.0385 \times 1.0047 = 1.0434$

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Alameda				
Alameda	0.43	77,573	77,909	79,316
Albany	0.92	19,216	19,393	19,393
Berkeley	0.78	122,369	123,328	123,328
Dublin	4.50	60,147	62,854	64,577
Emeryville	0.12	11,871	11,885	11,885
Fremont	0.55	231,252	232,532	232,532
Hayward	0.47	158,693	159,433	159,433
Livermore	0.75	90,359	91,039	91,039
Newark	3.25	47,178	48,712	48,712
Oakland	0.35	431,373	432,897	432,897
Piedmont	0.46	11,368	11,420	11,420
Pleasanton	1.27	79,483	80,492	80,492
San Leandro	0.30	89,552	89,825	89,825
Union City	1.16	74,058	74,916	74,916
Unincorporated	0.18	149,186	149,460	149,536
County Total	0.75	1,653,678	1,666,095	1,669,301

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Alpine				
Unincorporated	0.09	1,161	1,162	1,162
County Total	0.09	1,161	1,162	1,162

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Amador				
Amador	1.08	186	188	188
Ione	0.90	3,992	4,028	7,991
Jackson	1.66	4,692	4,770	4,770
Plymouth	2.12	991	1,012	1,012
Sutter Creek	1.43	2,523	2,559	2,559
Unincorporated	1.15	21,455	21,702	21,774
County Total	1.24	33,839	34,259	38,294

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Butte				
Biggs	9.08	1,894	2,066	2,066
Chico	20.73	92,861	112,111	112,111
Gridley	4.38	6,921	7,224	7,224
Oroville	20.35	18,091	21,773	21,773
Paradise	-82.63	26,423	4,590	4,590
Unincorporated	-3.68	81,706	78,702	78,702
County Total	-0.63	227,896	226,466	226,466

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Calaveras				
Angels City	0.37	3,826	3,840	3,840
Unincorporated	-0.14	41,234	41,176	41,277
County Total	-0.10	45,060	45,016	45,117

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Colusa				
Colusa	-0.43	6,282	6,255	6,255
Williams	1.64	5,438	5,527	5,527
Unincorporated	-0.08	10,343	10,335	10,335
County Total	0.24	22,063	22,117	22,117

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Contra Costa				
Antioch	0.56	113,266	113,901	113,901
Brentwood	2.45	62,140	63,662	63,662
Clayton	0.19	11,631	11,653	11,653
Concord	0.31	129,493	129,889	129,889
Danville	0.37	45,103	45,270	45,270
El Cerrito	1.06	25,192	25,459	25,459
Hercules	1.00	25,964	26,224	26,224
Lafayette	0.96	26,077	26,327	26,327
Martinez	0.22	38,406	38,490	38,490
Moraga	0.31	16,886	16,939	16,939
Oakley	1.98	40,949	41,759	41,759
Orinda	0.74	19,331	19,475	19,475
Pinole	0.21	19,458	19,498	19,498
Pittsburg	0.74	72,006	72,541	72,541
Pleasant Hill	0.25	34,969	35,055	35,055
Richmond	0.28	110,128	110,436	110,436
San Pablo	0.25	31,737	31,817	31,817
San Ramon	0.94	83,179	83,957	83,957
Walnut Creek	0.90	69,498	70,121	70,121
Unincorporated	0.55	172,382	173,322	173,406
County Total	0.70	1,147,795	1,155,795	1,155,879

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Del Norte				
Crescent City	0.56	4,249	4,273	6,828
Unincorporated	0.98	20,293	20,492	20,573
County Total	0.91	24,542	24,765	27,401

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Fiscal Year 2019-20

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
El Dorado				
Placerville	1.23	10,784	10,917	10,917
South Lake Tahoe	1.37	22,491	22,800	22,800
Unincorporated	1.16	156,216	158,028	158,131
County Total	1.19	189,491	191,745	191,848

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Fiscal Year 2019-20

Attachment B
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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Fresno				
Clovis	2.73	113,895	117,003	117,003
Coalinga	1.28	12,949	13,115	17,600
Firebaugh	0.67	8,078	8,132	8,132
Fowler	1.30	6,520	6,605	6,605
Fresno	0.96	531,222	536,316	536,683
Huron	0.26	7,289	7,308	7,308
Kerman	2.64	15,096	15,495	15,495
Kingsburg	1.13	12,253	12,392	12,392
Mendota	0.49	12,255	12,315	12,315
Orange Cove	0.51	9,924	9,975	9,975
Parlier	1.47	15,917	16,151	16,151
Reedley	0.41	26,556	26,666	26,666
Sanger	2.28	26,489	27,094	27,094
San Joaquin	0.38	4,200	4,216	4,216
Selma	0.45	24,932	25,045	25,045
Unincorporated	0.20	174,246	174,596	175,561
County Total	1.06	1,001,821	1,012,424	1,018,241

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Glenn				
Orland	4.24	7,998	8,337	8,337
Willows	0.14	6,273	6,282	6,282
Unincorporated	0.17	14,391	14,416	14,513
County Total	1.30	28,662	29,035	29,132

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Fiscal Year 2019-20

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Humboldt				
Arcata	0.13	18,054	18,078	18,078
Blue Lake	-0.80	1,253	1,243	1,243
Eureka	-0.80	27,195	26,977	26,977
Ferndale	-0.67	1,344	1,335	1,335
Fortuna	-0.49	12,144	12,084	12,084
Rio Dell	-0.75	3,351	3,326	3,326
Trinidad	-0.83	363	360	360
Unincorporated	-0.60	72,177	71,746	71,930
County Total	-0.54	135,881	135,149	135,333

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Fiscal Year 2019-20

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Imperial				
Brawley	0.98	27,073	27,337	27,337
Calexico	0.39	42,034	42,198	42,198
Calipatria	0.05	3,807	3,809	7,281
El Centro	0.12	46,193	46,248	46,248
Holtville	0.61	6,738	6,779	6,779
Imperial	2.14	19,511	19,929	19,929
Westmorland	0.04	2,460	2,461	2,461
Unincorporated	0.12	34,258	34,298	38,033
County Total	0.54	182,074	183,059	190,266

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Inyo				
Bishop	-0.03	3,900	3,899	3,899
Unincorporated	0.01	14,601	14,603	14,694
County Total	0.01	18,501	18,502	18,593

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Kern				
Arvin	2.79	21,577	22,178	22,178
Bakersfield	1.11	384,921	389,211	389,211
California City	0.73	12,413	12,504	15,000
Delano	1.15	45,068	45,588	53,936
Maricopa	0.24	1,237	1,240	1,240
McFarland	1.60	13,510	13,726	15,242
Ridgecrest	1.26	28,648	29,009	29,712
Shafter	4.27	19,472	20,304	20,886
Taft	0.95	6,772	6,836	9,430
Tehachapi	1.19	9,481	9,594	13,668
Wasco	2.34	22,690	23,220	27,955
Unincorporated	0.80	312,762	315,273	318,006
County Total	1.15	878,551	888,683	916,464

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Kings				
Avenal	0.42	9,591	9,631	13,823
Corcoran	0.67	12,891	12,977	21,832
Hanford	1.32	57,346	58,105	58,105
Lemoore	1.23	25,939	26,257	26,257
Unincorporated	0.82	26,477	26,695	33,693
County Total	1.07	132,244	133,665	153,710

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Lake				
Clearlake	-0.98	14,975	14,828	14,828
Lakeport	0.46	4,784	4,806	4,806
Unincorporated	0.28	45,219	45,346	45,437
County Total	0.00	64,978	64,980	65,071

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u> 2018-2019	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u> 1-1-2019
		1-1-18	1-1-19	
Lassen				
Susanville	-1.48	8,913	8,781	15,008
Unincorporated	-1.96	14,251	13,972	15,142
County Total	-1.77	23,164	22,753	30,150

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Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Los Angeles				
Agoura Hills	-0.15	20,874	20,842	20,842
Alhambra	-0.16	87,070	86,931	86,931
Arcadia	0.64	58,516	58,891	58,891
Artesia	0.05	16,824	16,833	16,919
Avalon	-0.29	3,856	3,845	3,845
Azusa	2.14	50,237	51,313	51,313
Baldwin Park	0.16	77,161	77,286	77,286
Bell	0.69	36,307	36,556	36,556
Bellflower	0.04	78,279	78,308	78,308
Bell Gardens	-0.35	43,123	42,972	42,972
Beverly Hills	-0.20	34,697	34,627	34,627
Bradbury	-0.65	1,084	1,077	1,077
Burbank	-0.21	106,175	105,952	105,952
Calabasas	-0.19	24,284	24,239	24,239
Carson	-0.01	93,609	93,604	93,604
Cerritos	0.86	50,280	50,711	50,711
Claremont	0.09	36,479	36,511	36,511
Commerce	-0.25	13,054	13,021	13,021
Compton	-0.28	98,985	98,711	98,711
Covina	-0.08	48,914	48,876	48,876
Cudahy	-0.28	24,333	24,264	24,264
Culver City	0.96	39,790	40,173	40,173
Diamond Bar	-0.13	57,572	57,495	57,495
Downey	-0.18	114,413	114,212	114,212
Duarte	-0.25	22,007	21,952	21,952
El Monte	0.76	116,315	117,204	117,204
El Segundo	-0.01	17,067	17,066	17,066
Gardena	-0.19	61,158	61,042	61,042
Glendale	0.73	204,782	206,283	206,283
Glendora	0.07	52,086	52,122	52,122
Hawaiian Gardens	-0.22	14,723	14,690	14,690
Hawthorne	-0.16	87,996	87,854	87,854
Hermosa Beach	0.17	19,814	19,847	19,847
Hidden Hills	-0.79	1,900	1,885	1,885
Huntington Park	-0.06	59,386	59,350	59,350
Industry	0.00	432	432	432
Inglewood	-0.19	112,759	112,549	112,549
Irwindale	4.08	1,447	1,506	1,506

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**Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019**

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2018-2019	1-1-18	1-1-19	1-1-2019
La Canada Flintridge	-0.10	20,623	20,602	20,602
La Habra Heights	-0.07	5,489	5,485	5,485
Lakewood	-0.13	81,459	81,352	81,352
La Mirada	-0.05	49,585	49,558	49,558
Lancaster	0.28	156,841	157,273	161,604
La Puente	0.19	40,719	40,795	40,795
La Verne	-0.11	33,239	33,201	33,201
Lawndale	-0.27	33,527	33,436	33,436
Lomita	-0.06	20,776	20,763	20,763
Long Beach	-0.21	475,921	474,941	475,013
Los Angeles	0.05	4,035,356	4,037,190	4,040,079
Lynwood	-0.22	71,497	71,343	71,343
Malibu	-7.42	13,011	12,046	12,046
Manhattan Beach	-0.24	36,010	35,922	35,922
Maywood	-0.21	28,029	27,971	27,971
Monrovia	-0.14	38,582	38,529	38,529
Montebello	-0.11	64,316	64,247	64,247
Monterey Park	-0.38	62,061	61,828	61,828
Norwalk	-0.12	106,077	105,950	106,744
Palmdale	0.05	157,782	157,854	157,854
Palos Verdes Estates	-0.26	13,579	13,544	13,544
Paramount	-0.01	55,503	55,497	55,497
Pasadena	0.90	145,003	146,312	146,312
Pico Rivera	-0.42	64,306	64,033	64,033
Pomona	0.08	154,189	154,310	154,310
Rancho Palos Verdes	-0.24	42,647	42,543	42,560
Redondo Beach	0.16	68,361	68,473	68,473
Rolling Hills	-0.32	1,898	1,892	1,892
Rolling Hills Estates	-0.08	8,254	8,247	8,247
Rosemead	-0.25	55,237	55,097	55,097
San Dimas	-0.25	34,669	34,584	34,584
San Fernando	1.32	24,593	24,918	24,918
San Gabriel	-0.22	41,270	41,178	41,178
San Marino	-0.06	13,360	13,352	13,352
Santa Clarita	2.70	212,378	218,103	218,103
Santa Fe Springs	0.04	18,208	18,216	18,261
Santa Monica	-0.11	93,698	93,593	93,593
Sierra Madre	-0.27	11,165	11,135	11,135
Signal Hill	0.31	11,758	11,795	11,795
South El Monte	0.95	21,092	21,293	21,293

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County	Percent Change	--- Population Minus Exclusions ---		Total
		2018-2019	1-1-18	1-1-19
City				
South Gate	-0.25	97,019	96,777	96,777
South Pasadena	-0.12	26,276	26,245	26,245
Temple City	0.37	36,447	36,583	36,583
Torrance	-0.24	148,408	148,054	148,054
Vernon	-0.33	302	301	301
Walnut	-0.02	30,557	30,551	30,551
West Covina	-0.25	108,388	108,116	108,116
West Hollywood	-0.17	36,723	36,660	36,660
Westlake Village	-0.86	8,451	8,378	8,378
Whittier	-0.26	87,756	87,526	87,526
Unincorporated	-0.87	1,055,092	1,045,918	1,046,858
County Total	-0.01	10,245,275	10,244,542	10,253,716

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Madera				
Chowchilla	1.94	12,448	12,690	18,742
Madera	1.14	65,671	66,419	66,419
Unincorporated	0.97	73,663	74,375	74,375
County Total	1.12	151,782	153,484	159,536

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Marin				
Belvedere	0.00	2,148	2,148	2,148
Corte Madera	0.04	10,043	10,047	10,047
Fairfax	0.09	7,714	7,721	7,721
Larkspur	-0.08	12,588	12,578	12,578
Mill Valley	0.04	14,669	14,675	14,675
Novato	-0.09	53,873	53,827	54,115
Ross	-0.08	2,528	2,526	2,526
San Anselmo	-0.05	12,908	12,902	12,902
San Rafael	0.04	60,020	60,046	60,046
Sausalito	-0.07	7,421	7,416	7,416
Tiburon	-0.04	9,366	9,362	9,362
Unincorporated	0.01	65,288	65,292	69,343
County Total	-0.01	258,566	258,540	262,879

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Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Mariposa				
Unincorporated	-0.18	18,013	17,981	18,068
County Total	-0.18	18,013	17,981	18,068

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Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Mendocino				
Fort Bragg	-0.55	7,519	7,478	7,478
Point Arena	-0.64	466	463	463
Ukiah	-0.44	16,368	16,296	16,296
Willits	-0.58	5,025	4,996	4,996
Unincorporated	0.03	59,589	59,606	59,776
County Total	-0.14	88,967	88,839	89,009

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Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Merced				
Atwater	1.58	30,980	31,470	31,470
Dos Palos	0.29	5,525	5,541	5,541
Gustine	-0.07	5,888	5,884	5,884
Livingston	3.03	14,376	14,811	14,811
Los Banos	2.49	40,880	41,898	41,898
Merced	1.38	85,921	87,110	87,110
Unincorporated	0.43	94,570	94,978	96,214
County Total	1.28	278,140	281,692	282,928

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Modoc				
Alturas	1.10	2,725	2,755	2,755
Unincorporated	-0.29	6,786	6,766	6,847
County Total	0.11	9,511	9,521	9,602

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Mono				
Mammoth Lakes	-0.74	8,064	8,004	8,004
Unincorporated	-0.92	5,531	5,480	5,612
County Total	-0.82	13,595	13,484	13,616

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Monterey				
Carmel-By-The-Sea	0.50	3,967	3,987	3,987
Del Rey Oaks	0.41	1,727	1,734	1,734
Gonzales	0.43	8,640	8,677	8,677
Greenfield	0.43	17,932	18,009	18,009
King City	1.36	14,527	14,724	14,724
Marina	1.81	22,548	22,957	22,957
Monterey	0.99	24,764	25,010	28,448
Pacific Grove	0.48	15,807	15,883	15,883
Salinas	0.55	161,899	162,797	162,797
Sand City	1.02	393	397	397
Seaside	1.06	30,370	30,693	33,776
Soledad	2.10	17,103	17,462	26,079
Unincorporated	1.17	106,193	107,434	107,946
County Total	0.91	425,870	429,764	445,414

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Napa				
American Canyon	0.00	20,630	20,629	20,629
Calistoga	1.15	5,391	5,453	5,453
Napa	-0.01	79,495	79,490	79,490
St Helena	0.23	6,119	6,133	6,133
Yountville	-0.14	2,098	2,095	2,916
Unincorporated	-0.88	25,133	24,911	26,158
County Total	-0.11	138,866	138,711	140,779

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Nevada				
Grass Valley	-0.13	12,785	12,769	12,769
Nevada City	0.26	3,114	3,122	3,122
Truckee	0.01	16,432	16,434	16,434
Unincorporated	-0.18	66,616	66,499	66,579
County Total	-0.12	98,947	98,824	98,904

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	Percent Change	--- Population Minus Exclusions ---		Total
	2018-2019	1-1-18	1-1-19	1-1-2019
Orange				
Aliso Viejo	-0.57	51,664	51,372	51,372
Anaheim	0.18	358,686	359,322	359,339
Brea	2.40	44,539	45,606	45,606
Buena Park	-0.25	83,594	83,384	83,384
Costa Mesa	1.17	114,396	115,739	115,830
Cypress	0.12	49,774	49,833	49,833
Dana Point	-0.34	34,365	34,249	34,249
Fountain Valley	-0.46	56,914	56,652	56,652
Fullerton	-0.34	143,313	142,824	142,824
Garden Grove	0.12	174,951	175,155	175,155
Huntington Beach	0.82	202,097	203,761	203,761
Irvine	2.24	274,055	280,202	280,202
Laguna Beach	-0.49	23,474	23,358	23,358
Laguna Hills	-0.56	31,751	31,572	31,572
Laguna Niguel	1.48	65,777	66,748	66,748
Laguna Woods	-0.57	16,612	16,518	16,518
La Habra	1.57	62,558	63,542	63,542
Lake Forest	1.53	85,048	86,346	86,346
La Palma	-0.59	15,914	15,820	15,820
Los Alamitos	-0.59	11,790	11,721	11,721
Mission Viejo	-0.44	96,856	96,434	96,434
Newport Beach	-0.50	87,614	87,180	87,180
Orange	0.41	141,116	141,691	141,691
Placentia	-0.51	52,602	52,333	52,333
Rancho Santa Margarita	-0.56	49,238	48,960	48,960
San Clemente	-0.50	65,732	65,405	65,405
San Juan Capistrano	0.77	36,541	36,821	36,821
Santa Ana	-0.44	339,192	337,716	337,716
Seal Beach	-0.54	24,606	24,473	25,073
Stanton	-0.45	39,483	39,307	39,307
Tustin	-0.47	81,755	81,369	81,369
Villa Park	-0.47	5,961	5,933	5,933
Westminster	-0.46	93,035	92,610	92,610
Yorba Linda	-0.14	68,804	68,706	68,706
Unincorporated	0.31	128,726	129,128	129,128
County Total	0.29	3,212,533	3,221,790	3,222,498

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Placer				
Auburn	0.71	14,291	14,392	14,392
Colfax	0.10	2,071	2,073	2,073
Lincoln	0.98	47,808	48,277	48,277
Loomis	0.57	6,848	6,887	6,887
Rocklin	3.80	66,711	69,249	69,249
Roseville	2.48	136,260	139,643	139,643
Unincorporated	0.59	115,491	116,170	116,170
County Total	1.85	389,480	396,691	396,691

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Plumas				
Portola	-0.25	1,981	1,976	1,976
Unincorporated	-0.05	17,812	17,803	17,803
County Total	-0.07	19,793	19,779	19,779

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Riverside				
Banning	0.30	30,950	31,044	31,044
Beaumont	3.99	46,545	48,401	48,401
Blythe	0.40	13,827	13,882	19,428
Calimesa	0.87	9,080	9,159	9,159
Canyon Lake	0.64	11,213	11,285	11,285
Cathedral City	0.81	54,419	54,859	54,907
Coachella	1.25	45,777	46,351	46,351
Corona	0.65	167,013	168,101	168,101
Desert Hot Springs	0.51	29,102	29,251	29,251
Eastvale	0.54	65,725	66,078	66,078
Hemet	0.39	84,423	84,754	84,754
Indian Wells	1.04	5,389	5,445	5,445
Indio	1.37	88,194	89,406	89,406
Jurupa Valley	1.58	104,661	106,318	106,318
Lake Elsinore	1.14	62,096	62,804	62,949
La Quinta	0.83	41,753	42,098	42,098
Menifee	2.95	90,775	93,452	93,452
Moreno Valley	1.09	206,046	208,297	208,297
Murrieta	0.99	116,970	118,125	118,125
Norco	0.33	23,886	23,966	26,386
Palm Desert	0.61	53,298	53,625	53,625
Palm Springs	0.71	48,390	48,733	48,733
Perris	0.93	76,260	76,971	76,971
Rancho Mirage	1.05	18,297	18,489	18,489
Riverside	0.56	326,211	328,042	328,101
San Jacinto	2.67	47,607	48,878	48,878
Temecula	0.51	113,248	113,826	113,826
Wildomar	1.21	35,635	36,066	36,066
Unincorporated	1.83	386,738	393,833	394,200
County Total	1.17	2,403,528	2,431,539	2,440,124

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

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Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Sacramento				
Citrus Heights	0.29	87,841	88,095	88,095
Elk Grove	0.97	172,347	174,025	174,025
Folsom	1.18	73,607	74,479	79,835
Galt	0.73	26,296	26,489	26,489
Isleton	1.40	859	871	871
Rancho Cordova	1.86	73,112	74,471	74,471
Sacramento	1.49	500,724	508,172	508,172
Unincorporated	0.62	590,530	594,216	594,216
County Total	1.02	1,525,316	1,540,818	1,546,174

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
San Benito				
Hollister	2.71	39,089	40,149	40,149
San Juan Bautista	4.78	1,986	2,081	2,081
Unincorporated	1.52	19,766	20,066	20,066
County Total	2.39	60,841	62,296	62,296

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
San Bernardino				
Adelanto	0.07	34,466	34,489	35,136
Apple Valley	0.79	72,891	73,464	73,464
Barstow	0.20	23,682	23,730	24,150
Big Bear Lake	0.63	5,427	5,461	5,461
Chino	2.43	82,328	84,329	89,829
Chino Hills	1.18	83,379	84,364	84,364
Colton	0.61	54,061	54,391	54,391
Fontana	1.25	209,455	212,078	212,078
Grand Terrace	0.67	12,570	12,654	12,654
Hesperia	1.30	95,127	96,362	96,362
Highland	0.82	55,326	55,778	55,778
Loma Linda	1.41	23,922	24,259	24,335
Montclair	0.87	39,220	39,563	39,563
Needles	0.36	5,067	5,085	5,085
Ontario	2.31	174,244	178,268	178,268
Rancho Cucamonga	0.44	178,619	179,412	179,412
Redlands	0.56	71,441	71,839	71,839
Rialto	0.65	106,582	107,271	107,271
San Bernardino	0.11	217,452	217,695	219,233
Twentynine Palms	1.85	18,502	18,845	28,958
Upland	0.58	78,027	78,481	78,481
Victorville	0.78	122,052	123,010	126,543
Yucaipa	1.01	54,293	54,844	54,844
Yucca Valley	0.66	21,905	22,050	22,050
Unincorporated	0.53	303,177	304,788	312,654
County Total	0.90	2,143,215	2,162,510	2,192,203

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Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
San Diego				
Carlsbad	0.13	115,095	115,241	115,241
Chula Vista	1.25	267,763	271,115	271,411
Coronado	-0.23	17,199	17,159	24,199
Del Mar	0.20	4,442	4,451	4,451
El Cajon	0.29	105,258	105,559	105,559
Encinitas	0.02	63,375	63,390	63,390
Escondido	0.17	152,478	152,739	152,739
Imperial Beach	0.90	27,202	27,448	27,448
La Mesa	0.19	60,707	60,820	60,820
Lemon Grove	0.52	27,068	27,208	27,208
National City	0.07	57,322	57,361	62,307
Oceanside	0.42	177,274	178,021	178,021
Poway	0.22	50,210	50,320	50,320
San Diego	0.54	1,395,145	1,402,625	1,420,572
San Marcos	2.11	96,335	98,369	98,369
Santee	1.74	57,410	58,408	58,408
Solana Beach	0.27	13,895	13,933	13,933
Vista	0.21	101,770	101,987	101,987
Unincorporated	0.14	473,283	473,945	515,403
County Total	0.52	3,263,231	3,280,099	3,351,786

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Attachment B
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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
San Francisco				
San Francisco	0.33	880,740	883,621	883,869
County Total	0.33	880,740	883,621	883,869

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
San Joaquin				
Escalon	0.52	7,725	7,765	7,765
Lathrop	5.17	23,711	24,936	24,936
Lodi	1.83	67,042	68,272	68,272
Manteca	3.41	81,022	83,781	83,781
Ripon	1.98	16,290	16,613	16,613
Stockton	0.76	311,386	313,737	316,410
Tracy	2.17	90,832	92,800	92,800
Unincorporated	1.82	154,272	157,075	159,808
County Total	1.69	752,280	764,979	770,385

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
San Luis Obispo				
Arroyo Grande	-0.02	17,880	17,876	17,876
Atascadero	0.30	29,172	29,259	30,405
El Paso De Robles	0.13	31,204	31,244	31,244
Grover Beach	-0.62	13,617	13,533	13,533
Morro Bay	-0.56	10,498	10,439	10,439
Pismo Beach	-0.15	8,251	8,239	8,239
San Luis Obispo	0.13	46,741	46,802	46,802
Unincorporated	0.54	117,515	118,149	121,855
County Total	0.24	274,878	275,541	280,393

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
San Mateo				
Atherton	0.40	7,042	7,070	7,070
Belmont	-0.03	27,182	27,174	27,174
Brisbane	0.04	4,689	4,691	4,691
Burlingame	-0.09	30,345	30,317	30,317
Colma	1.68	1,487	1,512	1,512
Daly City	0.18	108,927	109,122	109,122
East Palo Alto	0.07	30,478	30,499	30,499
Foster City	1.81	33,094	33,693	33,693
Half Moon Bay	0.58	12,558	12,631	12,631
Hillsborough	0.18	11,748	11,769	11,769
Menlo Park	0.04	35,641	35,655	35,790
Millbrae	-0.06	23,168	23,154	23,154
Pacifica	-0.11	38,718	38,674	38,674
Portola Valley	0.04	4,657	4,659	4,659
Redwood City	1.04	84,444	85,319	85,319
San Bruno	0.00	45,255	45,257	45,257
San Carlos	0.11	29,832	29,864	29,864
San Mateo	0.07	104,497	104,570	104,570
South San Francisco	0.04	67,054	67,078	67,078
Woodside	-0.23	5,628	5,615	5,615
Unincorporated	0.40	65,767	66,027	66,027
County Total	0.28	772,211	774,350	774,485

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Santa Barbara				
Buellton	2.60	5,315	5,453	5,453
Carpinteria	-0.60	13,762	13,680	13,680
Goleta	1.80	32,179	32,759	32,759
Guadalupe	2.60	7,640	7,839	7,839
Lompoc	-0.57	40,994	40,759	43,649
Santa Barbara	0.25	93,279	93,512	93,532
Santa Maria	0.67	106,645	107,356	107,356
Solvang	-0.46	5,849	5,822	5,822
Unincorporated	0.28	141,476	141,866	144,503
County Total	0.43	447,139	449,046	454,593

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Santa Clara				
Campbell	1.13	42,767	43,250	43,250
Cupertino	-0.18	59,988	59,879	59,879
Gilroy	1.22	55,252	55,928	55,928
Los Altos	-0.11	31,225	31,190	31,190
Los Altos Hills	0.75	8,720	8,785	8,785
Los Gatos	-0.02	30,995	30,988	30,988
Milpitas	1.67	74,980	76,231	76,231
Monte Sereno	3.55	3,657	3,787	3,787
Morgan Hill	2.44	44,653	45,742	45,742
Mountain View	1.48	80,800	81,992	81,992
Palo Alto	0.00	69,373	69,370	69,397
San Jose	0.02	1,042,900	1,043,058	1,043,058
Santa Clara	-0.06	128,789	128,717	128,717
Saratoga	0.03	31,397	31,407	31,407
Sunnyvale	1.05	153,944	155,567	155,567
Unincorporated	0.04	87,257	87,289	88,368
County Total	0.33	1,946,697	1,953,180	1,954,286

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Santa Cruz				
Capitola	-0.75	10,317	10,240	10,240
Santa Cruz	0.03	65,784	65,807	65,807
Scotts Valley	-0.66	12,162	12,082	12,082
Watsonville	-0.42	53,246	53,021	53,021
Unincorporated	-0.63	134,467	133,624	133,721
County Total	-0.44	275,976	274,774	274,871

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Shasta				
Anderson	1.01	10,327	10,431	10,431
Redding	0.96	91,811	92,694	92,839
Shasta Lake	1.52	10,121	10,275	10,275
Unincorporated	-1.95	66,421	65,123	65,228
County Total	-0.09	178,680	178,523	178,773

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Sierra				
Loyalton	-0.27	746	744	744
Unincorporated	-0.20	2,474	2,469	2,469
County Total	-0.22	3,220	3,213	3,213

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Siskiyou				
Dorris	0.00	903	903	903
Dunsmuir	-0.19	1,584	1,581	1,581
Etna	-0.14	721	720	720
Fort Jones	-0.14	693	692	692
Montague	-0.21	1,423	1,420	1,420
Mount Shasta	-0.12	3,287	3,283	3,283
Tulelake	-0.40	1,007	1,003	1,003
Weed	1.05	2,764	2,793	2,793
Yreka	-0.04	7,662	7,659	7,659
Unincorporated	-0.13	24,491	24,458	24,530
County Total	-0.05	44,535	44,512	44,584

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	2018-2019	1-1-18	1-1-19	1-1-2019
Solano				
Benicia	-0.26	27,641	27,570	27,570
Dixon	1.34	19,533	19,794	19,794
Fairfield	-0.05	111,950	111,889	117,149
Rio Vista	3.67	9,083	9,416	9,416
Suisun City	0.00	29,448	29,447	29,447
Vacaville	0.32	91,957	92,250	98,807
Vallejo	-0.08	119,637	119,544	119,544
Unincorporated	-0.01	18,776	18,774	19,580
County Total	0.15	428,025	428,684	441,307

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Sonoma				
Cloverdale	1.27	9,141	9,257	9,257
Cotati	2.33	7,739	7,919	7,919
Healdsburg	2.20	12,232	12,501	12,501
Petaluma	-0.01	62,251	62,247	62,247
Rohnert Park	0.37	43,178	43,339	43,339
Santa Rosa	-0.79	177,017	175,625	175,625
Sebastopol	0.99	7,808	7,885	7,885
Sonoma	1.16	11,423	11,556	11,556
Windsor	0.74	28,356	28,565	28,565
Unincorporated	-1.24	142,870	141,103	141,781
County Total	-0.40	502,015	499,997	500,675

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Stanislaus				
Ceres	0.67	49,179	49,510	49,510
Hughson	0.79	7,954	8,017	8,017
Modesto	0.86	213,374	215,201	215,201
Newman	2.10	11,497	11,738	11,738
Oakdale	1.68	23,413	23,807	23,807
Patterson	1.49	23,414	23,764	23,764
Riverbank	1.12	25,038	25,318	25,318
Turlock	0.67	73,979	74,471	74,471
Waterford	0.54	9,051	9,100	9,100
Unincorporated	0.71	117,209	118,046	118,046
County Total	0.88	554,108	558,972	558,972

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Sutter				
Live Oak	0.47	8,799	8,840	8,840
Yuba City	0.27	67,354	67,536	67,536
Unincorporated	0.27	21,057	21,114	21,114
County Total	0.29	97,210	97,490	97,490

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Tehama				
Corning	0.38	7,561	7,590	7,590
Red Bluff	0.44	14,187	14,250	14,250
Tehama	0.24	410	411	411
Unincorporated	0.42	41,770	41,946	42,136
County Total	0.42	63,928	64,197	64,387

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Trinity				
Unincorporated	0.27	13,552	13,589	13,688
County Total	0.27	13,552	13,589	13,688

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County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Tulare				
Dinuba	1.65	24,918	25,328	25,328
Exeter	0.16	10,984	11,002	11,002
Farmersville	0.15	11,341	11,358	11,358
Lindsay	2.27	13,062	13,358	13,358
Porterville	0.05	59,961	59,988	60,260
Tulare	2.24	65,503	66,967	66,967
Visalia	1.32	136,403	138,207	138,207
Woodlake	1.26	7,793	7,891	7,891
Unincorporated	-0.25	145,026	144,667	144,741
County Total	0.79	474,991	478,766	479,112

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January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Tuolumne				
Sonora	-0.20	4,887	4,877	4,877
Unincorporated	-0.14	47,124	47,056	49,713
County Total	-0.15	52,011	51,933	54,590

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Ventura				
Camarillo	2.09	68,452	69,880	69,880
Fillmore	0.54	15,840	15,925	15,925
Moorpark	0.52	36,828	37,020	37,020
Ojai	0.36	7,741	7,769	7,769
Oxnard	0.29	209,269	209,879	209,879
Port Hueneme	-1.14	21,095	20,854	23,526
San Buenaventura	-1.78	110,067	108,112	108,170
Santa Paula	-0.49	30,931	30,779	30,779
Simi Valley	0.23	127,421	127,716	127,716
Thousand Oaks	-0.56	130,283	129,557	129,557
Unincorporated	-1.18	95,165	94,043	96,377
County Total	-0.18	853,092	851,534	856,598

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Yolo				
Davis	1.10	68,999	69,761	69,761
West Sacramento	0.41	53,693	53,911	53,911
Winters	-0.13	7,427	7,417	7,417
Woodland	0.19	60,178	60,292	60,292
Unincorporated	1.04	30,878	31,200	31,200
County Total	0.64	221,175	222,581	222,581

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
Yuba				
Marysville	0.37	12,581	12,627	12,627
Wheatland	0.30	3,692	3,703	3,703
Unincorporated	0.31	58,807	58,988	61,586
County Total	0.32	75,080	75,318	77,916

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019

County	<u>Percent Change</u> 2018-19	<u>--- Population Minus Exclusions ---</u> 1-1-18	<u>1-1-19</u>
Alameda			
Incorporated	0.81	1,504,492	1,516,635
County Total	0.75	1,653,678	1,666,095
Alpine			
Incorporated	0.00	0	0
County Total	0.09	1,161	1,162
Amador			
Incorporated	1.40	12,384	12,557
County Total	1.24	33,839	34,259
Butte			
Incorporated	1.08	146,190	147,764
County Total	-0.63	227,896	226,466
Calaveras			
Incorporated	0.37	3,826	3,840
County Total	-0.10	45,060	45,016
Colusa			
Incorporated	0.53	11,720	11,782
County Total	0.24	22,063	22,117
Contra Costa			
Incorporated	0.72	975,413	982,473
County Total	0.70	1,147,795	1,155,795
Del Norte			
Incorporated	0.56	4,249	4,273
County Total	0.91	24,542	24,765
El Dorado			
Incorporated	1.33	33,275	33,717
County Total	1.19	189,491	191,745

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019

County	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>	
	2018-19	1-1-18	1-1-19
Fresno			
Incorporated	1.24	827,575	837,828
County Total	1.06	1,001,821	1,012,424
Glenn			
Incorporated	2.44	14,271	14,619
County Total	1.30	28,662	29,035
Humboldt			
Incorporated	-0.47	63,704	63,403
County Total	-0.54	135,881	135,149
Imperial			
Incorporated	0.64	147,816	148,761
County Total	0.54	182,074	183,059
Inyo			
Incorporated	-0.03	3,900	3,899
County Total	0.01	18,501	18,502
Kern			
Incorporated	1.35	565,789	573,410
County Total	1.15	878,551	888,683
Kings			
Incorporated	1.14	105,767	106,970
County Total	1.07	132,244	133,665
Lake			
Incorporated	-0.63	19,759	19,634
County Total	0.00	64,978	64,980
Lassen			
Incorporated	-1.48	8,913	8,781
County Total	-1.77	23,164	22,753

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019

County	<u>Percent Change</u> 2018-19	<u>--- Population Minus Exclusions ---</u> 1-1-18	<u>1-1-19</u>
Los Angeles			
Incorporated	0.09	9,190,183	9,198,624
County Total	-0.01	10,245,275	10,244,542
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Madera			
Incorporated	1.27	78,119	79,109
County Total	1.12	151,782	153,484
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Marin			
Incorporated	-0.02	193,278	193,248
County Total	-0.01	258,566	258,540
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Mariposa			
Incorporated	0.00	0	0
County Total	-0.18	18,013	17,981
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Mendocino			
Incorporated	-0.49	29,378	29,233
County Total	-0.14	88,967	88,839
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Merced			
Incorporated	1.71	183,570	186,714
County Total	1.28	278,140	281,692
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Modoc			
Incorporated	1.10	2,725	2,755
County Total	0.11	9,511	9,521
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Mono			
Incorporated	-0.74	8,064	8,004
County Total	-0.82	13,595	13,484
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Monterey			
Incorporated	0.83	319,677	322,330
County Total	0.91	425,870	429,764
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Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019

County	<u>Percent Change</u> 2018-19	<u>--- Population Minus Exclusions ---</u> 1-1-18	<u>1-1-19</u>
Napa			
Incorporated	0.06	113,733	113,800
County Total	-0.11	138,866	138,711
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Nevada			
Incorporated	-0.02	32,331	32,325
County Total	-0.12	98,947	98,824
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Orange			
Incorporated	0.29	3,083,807	3,092,662
County Total	0.29	3,212,533	3,221,790
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Placer			
Incorporated	2.38	273,989	280,521
County Total	1.85	389,480	396,691
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Plumas			
Incorporated	-0.25	1,981	1,976
County Total	-0.07	19,793	19,779
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Riverside			
Incorporated	1.04	2,016,790	2,037,706
County Total	1.17	2,403,528	2,431,539
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Sacramento			
Incorporated	1.26	934,786	946,602
County Total	1.02	1,525,316	1,540,818
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San Benito			
Incorporated	2.81	41,075	42,230
County Total	2.39	60,841	62,296
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San Bernardino			
Incorporated	0.96	1,840,038	1,857,722
County Total	0.90	2,143,215	2,162,510
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Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019

County	<u>Percent Change</u> 2018-19	<u>--- Population Minus Exclusions ---</u> 1-1-18	<u>1-1-19</u>
San Diego			
Incorporated	0.58	2,789,948	2,806,154
County Total	0.52	3,263,231	3,280,099
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San Francisco			
Incorporated	0.33	880,740	883,621
County Total	0.33	880,740	883,621
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San Joaquin			
Incorporated	1.65	598,008	607,904
County Total	1.69	752,280	764,979
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San Luis Obispo			
Incorporated	0.02	157,363	157,392
County Total	0.24	274,878	275,541
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San Mateo			
Incorporated	0.27	706,444	708,323
County Total	0.28	772,211	774,350
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Santa Barbara			
Incorporated	0.50	305,663	307,180
County Total	0.43	447,139	449,046
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Santa Clara			
Incorporated	0.35	1,859,440	1,865,891
County Total	0.33	1,946,697	1,953,180
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Santa Cruz			
Incorporated	-0.25	141,509	141,150
County Total	-0.44	275,976	274,774
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Shasta			
Incorporated	1.02	112,259	113,400
County Total	-0.09	178,680	178,523
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Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019

County	<u>Percent Change</u> 2018-19	<u>--- Population Minus Exclusions ---</u> 1-1-18	<u>1-1-19</u>
Sierra			
Incorporated	-0.27	746	744
County Total	-0.22	3,220	3,213
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Siskiyou			
Incorporated	0.05	20,044	20,054
County Total	-0.05	44,535	44,512
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Solano			
Incorporated	0.16	409,249	409,910
County Total	0.15	428,025	428,684
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Sonoma			
Incorporated	-0.07	359,145	358,894
County Total	-0.40	502,015	499,997
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Stanislaus			
Incorporated	0.92	436,899	440,926
County Total	0.88	554,108	558,972
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Sutter			
Incorporated	0.29	76,153	76,376
County Total	0.29	97,210	97,490
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Tehama			
Incorporated	0.42	22,158	22,251
County Total	0.42	63,928	64,197
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Trinity			
Incorporated	0.00	0	0
County Total	0.27	13,552	13,589
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Tulare			
Incorporated	1.25	329,965	334,099
County Total	0.79	474,991	478,766

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Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019

County	<u>Percent Change</u> 2018-19	<u>--- Population Minus Exclusions ---</u> 1-1-18	<u>1-1-19</u>
Tuolumne			
Incorporated	-0.20	4,887	4,877
County Total	-0.15	52,011	51,933
Ventura			
Incorporated	-0.06	757,927	757,491
County Total	-0.18	853,092	851,534
Yolo			
Incorporated	0.57	190,297	191,381
County Total	0.64	221,175	222,581
Yuba			
Incorporated	0.35	16,273	16,330
County Total	0.32	75,080	75,318

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AGENDA NO: A-6

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: June 11, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Adopt Resolution No. 50-19 Approving a New Temporary License Agreement for Operation of Baiting Services with Morro Bay Commercial Fishermen Owen Hackleman, Roger Cullen and William Diller

RECOMMENDATION

Staff recommend the City Council adopt Resolution No. 50-19 approving a new two-year Temporary License Agreement with Morro Bay commercial fishermen Owen Hackleman, Roger Cullen and William Diller for commercial baiting services in a portion of the Harbor Department storage yard, that includes an option to extend for one two-year period.

ALTERNATIVES

The City Council can direct staff other than is being recommended.

FISCAL IMPACTS

Annual revenue to the Harbor Department budget of \$1,092/year (\$91/month) with annual CPI adjustments. That amount is based on the "standard" 8% of the appraised value of a nearby property per square foot, since no appraisals are available for the Harbor Department yard space.

BACKGROUND

Lonnie Carter, doing business as "Morro Bay Hookers" commercial baiting service, has operated that business in a portion of the Harbor Department's storage year near Morro Creek with a City-approved license agreement since 2011. That business provides critical gear and baiting services to local groundfish fishermen, as well as providing seasonal, low-income part-time jobs.

Last June, a new two-year temporary license agreement was approved with Mr. Carter. Recently, however, per the agreement Mr. Carter informed the City he is ceasing operations and relinquishing the yard to the City. Due to the critical need for those services, three local commercial fishermen have proposed to assume the baiting operations in the yard for not only their own gear, but for that of others as demand dictates.

DISCUSSION

Owen Hackleman, Roger Cullen and William Diller are all long-time, respected Morro Bay commercial fishermen, having collectively operated in several different fisheries over the years that no doubt have resulted in many tons of product crossing the docks in Morro Bay. Since the cessation of Mr. Carter's operation would severely affect their individual fishing operations in a negative manner, those fishermen have formed a collective of sorts to continue the baiting operations in Morro Bay, picking up where Mr. Carter is leaving off.

Prepared By: EE

Dept Review: EE

City Manager Review: SC

City Attorney Review: JWP

Staff propose the attached new Temporary License Agreement (modeled after the previous agreement and lease rate with Morro Bay Hookers) with Hackleman, Cullen and Diller for a portion of the Harbor Department's storage yard near Morro Creek with the following highlights:

- Two-year term, with an option to extend, administratively, for one two-year period.
- Effective date of July 1, 2019, or upon the date it is signed by the City.
- Annual rent \$1,092/year (\$91/month); with an annual CPI adjustment.
- Leased area to encompass the eastern approximate three-quarters of the fenced yard, with retention of the western approximate one-quarter for Harbor Department use.
- Proper and adequate insurance requirement naming the City as additionally-insured.

CONCLUSION

Staff believe this new agreement provides for continuation of this service critical to the commercial fishing fleet, while at the same time providing employment and utilizing unused space at a rate commensurate with City and State leasing standards in a suitable location. Based on that, staff recommend adoption of Resolution No. 50-19 approving the two-year temporary license agreement.

ATTACHMENTS

1. Resolution 50-19
2. Temporary License Agreement for baiting services with Hacklemen, Cullen and Diller

RESOLUTION NO. 50-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING A TEMPORARY LICENSE AGREEMENT
WITH OWEN HACKLEMAN, ROGER CULLEN AND WILLIAM DILLER
FOR USE OF A PORTION OF THE HARBOR DEPARTMENT'S
STORAGE YARD FOR COMMERCIAL FISHING BAITING SERVICES**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, in 2011 the City of Morro Bay first entered into a temporary license agreement with Morro Bay Hookers Baiting Services for important gear and baiting services in a portion of the Harbor Department's storage yard for a sector of the Morro Bay commercial fishing fleet; and,

WHEREAS, Morro Bay Hookers will cease operations at the end of June, 2019; and,

WHEREAS, these services are still a critical need of the Morro Bay commercial fishing fleet, and Morro Bay commercial fishermen Owen Hackleman, Roger Cullen and William Diller are proposing to continue these services in the Harbor Department's yard.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California as follows:

Approval of the attached new Temporary License Agreement with Owen Hackleman, Roger Cullen and William Diller for operation of commercial groundfish gear and baiting services is hereby approved, and the Mayor is hereby authorized to execute the license agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of June 2019 on the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

TEMPORARY LICENSE AGREEMENT

FOR USE OF PUBLIC PROPERTY

The City of Morro Bay, a municipal corporation, ("Licensor") hereby grants to Owen Hackleman, Roger Cullen, and William Diller (collectively, "Licensee") a license ("this License") for use of the real property located in close proximity to the Harbor Storage Yard located at 1622 Embarcadero, Morro Bay, CA, illustrated on the attached Exhibit A (the "Premises"), subject to all the following terms and conditions:

1. USE: Subject to all the provisions of this License and only in recognition of the purpose set forth in this Paragraph, Licensee shall have permission to use of the Premises solely:
 - (a) operation of baiting business and
 - (b) storage of related equipment.

The foregoing shall be defined as the "Permitted Uses."

The parties agree Licensee's use of the Premises for the Permitted Uses shall be exclusive of any other use or user, except that of Licensor, subject to Paragraph 20, below.

2. LICENSOR REQUIREMENTS: In connection with the Permitted Uses, Licensee shall comply with all applicable Federal, State and local laws rules and regulations, including payment of local business taxes, if applicable.
3. EFFECTIVE DATE OF LICENSE: This License shall be effective on the later of July 1, 2019, or upon the date it is signed on behalf of Licensor (the "Effective Date").
4. TERM: The term of this License shall be for the period from the Effective Date, until June 30, 2021, (the "Term") or termination pursuant to Paragraph 16, below.
5. RENEWAL: Upon expiration of this License Licensor's Harbor Director may administratively execute one two-year renewal of this License (the "Extended Term"). The Extended Term shall be effective only if an amendment to this License is signed by Licensor's Harbor Director, or designee and Licensee. If the Extended Term becomes effective, then the Extended Term shall expire on June 30, 2023 or termination pursuant to Paragraph 16, below.
6. FEES: Licensee shall pay to Licensor Ninety-one Dollars (\$91.00) per month payable on the first of each month starting July 1, 2019 for this License (the "License Fee").

The parties agree, commencing July 1, 2020, as of every July 1 following the Commencement Date (each, a "CPI Adjustment Date"), except as outlined in

section 2.03 hereof, the Annual Minimum Rent shall be adjusted in direct proportion to any upward or downward movement in the Consumer Price Index for January 1, 2019 which is hereby agreed to be 269.468 (Base Index). The percentage adjustment for any given year shall be based on the monthly average Index for the calendar year immediately preceding the CPI Adjustment Date as compared with the Base Index. The Consumer Price Index referred to herein is the Consumer Price Index (all items indexes, all urban consumers) for Los Angeles – Long Beach - Anaheim, California, compiled and published by the United States Department of Labor, Bureau of Labor Statistics, 1982-84 Base Year = 100 (the "Index")

The Annual Minimum Rent shall be adjusted as of each CPI Adjustment Date, and will remain in effect as adjusted until the next CPI Adjustment Date. As an illustration only, if the Base Index (Jan. 1, 1999 CPI) is 166.1 and the monthly average CPI for 2000 is 171.6, then the percentage increase is equal to 3.31%. Therefore, the Annual Minimum Rent would be increased by 3.31% as of July 1, 2001, and would continue at that rate through June 30, 2002.

7. OPERATION COSTS: Licensee shall be responsible for all costs related to its use of the Premises, including the utilities used by Licensee for the Premises if utilities are present.
8. MAINTENANCE: Licensee shall be responsible to maintain the Premises in a clean and presentable manner and keep the area abutting the Premises free from fishhooks, nets, trash, pollution/spills and other debris. Upon termination this License for any reason, Licensee shall leave the Premises free from fishhooks, nets, trash, pollution/spills and other debris and in a good condition, subject to normal wear and tear.
9. SIGNS: Any and all signs installed or used by Licensee that are visible to the public from outside the Premises shall not be installed or used without the prior written approval of Licensor's Harbor Director, and subject to all applicable Licensor zoning laws, rules and regulations and all required land use Licensor approvals and permits shall be obtained.
10. IMPROVEMENTS: Licensee shall not make any improvements to the Premises without prior approval from Licensor's Harbor Director. Upon termination of this License for any reason, any improvements of any kind installed by or on behalf of Licensee shall become the property of Licensor at no cost whatsoever, including any damages for condemnation, inverse condemnation or relocation benefits or loss of goodwill. Licensee and Licensor agree to cost-share on the maintenance, repair, and replacement of the chain link fence and gate enclosing the Premises on an equal basis.
11. JOINT AND SEVERAL LIABILITY. Each of the individuals, included in the definition of Licensee, shall be jointly and severally liable for each and every obligation of Licensee pursuant to this License.
12. LICENSEE OBLIGATIONS: Termination of this License shall not terminate Licensee's obligations pursuant to Paragraphs 11., 13, 14, 15, 16, 17 and 18.

13. TAXABLE INTEREST: This License is not intended to create any interest in real property. If it is determined, by a governmental agency dually authorized to make such decision, this License creates any taxable interest, including, but not limited to, a possessory interest, then Licensee shall be solely responsible to pay such taxes to the extent such taxes are required by law to be paid.
14. HOLD HARMLESS: Licensee agrees to and hereby does hold harmless, indemnify and defend Licensor and its officers, agents and employees (“Indemnitees”) from any claim, judgment, liability, award, damages, loss or expense, including reasonable attorney’s fees and court costs, arising out of or related to the use of the Premises by Licensee, including, but not limited to, any hazardous materials releases; provided, that Licensee’s obligation to indemnify and hold harmless shall apply only to the extent Licensee, its officers, employees or agents caused the claim, loss or expense. For purposes of this License, hazardous materials shall mean any materials as defined by State or Federal laws.
15. INSURANCE: Without limiting the obligation set forth in the immediately preceding sentence, during the term of this License Licensee shall provide evidence of insurance as provided in Exhibit B.
16. NO LIENS ON PREMISES: Licensee shall not permit or suffer any mechanic’s or materialman’s or other lien of any kind or nature to be recorded or enforced against the Premises for any work done or materials furnished thereon at the instance of requirement of or on behalf of Licensee; and Licensee agrees to indemnify and hold harmless Licensor and the Premises against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with such work done, labor performed or material furnished in connection with Licensee’s use of the Premises.
17. RIGHT TO TERMINATE/NO DISPLACEMENT LIABILITY: Either party shall have the right to terminate this License, with or without cause, upon thirty-days’ (30-days’) written notice to the non-terminating party. Licensor shall not be liable (i) for any displacement or relocation benefits or expenses experienced by Licensee, (ii) for reimbursement for any improvements installed by Licensee or (iii) for any damages in condemnation, inverse condemnation, loss of goodwill or other legal or equitable bases resulting, directly or indirectly, from any action or inaction of or on behalf of Licensor that may be in any way connected with any termination of this License for any reason or any relocation of Licensee from the Premises for any reason. Upon termination of this License, Licensee shall no longer be responsible for any fees under this License, as specified in Paragraph 5 of this License.
18. GOVERNING LAW: The terms of this License shall be interpreted according to the laws of the State of California. If arises out of this License, then venue shall be in the Superior Court of San Luis Obispo County.

19. LITIGATION FEES: If either party commences action against the other party arising out of or in connection with this License, then the prevailing party shall be entitled to have and recover from the other party reasonable attorneys' fees and costs of suit.
20. LICENSOR USE OF PREMISES: Licensor may use the Premises for storage and other municipal uses; provided, that such use shall not unreasonably interference with or prevent in any substantial way Licensee's ability to utilize the Premises for the purposed set forth herein; and provided, further, that Licensor shall be responsible for all operation costs and maintenance for the portion of the Premises it or Licensor uses or occupies. In addition, without any implied or expressed limitation on Licensor's authority and right to access and inspect the Premises in its governmental capacity, Licensor shall have the right to access at any time to the Premises for inspections.
21. TRANSFERABILITY AND ASSIGNABILITY: The License is neither transferable nor assignable by Licensee without the written consent of Licensor.
22. NOTICES: All notices given or required to be given pursuant to this License shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed as follows:

To Licensor:

City of Morro Bay
Attn: Harbor Director
1275 Embarcadero
Morro Bay, CA 93442

With Copy to:

Chris Neumeyer
Aleshire & Wynder, LLP
18881 Von Karmen Avenue, Suite 1700
Irvine, CA 92612

To Licensee:

William Diller
4765 Curvado Circle
Atascadero, CA 93422

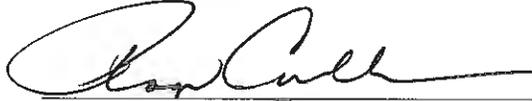
23. ENTIRE AGREEMENT: This License (i) constitutes the entire agreement of the parties hereto relating to the use, operation and maintenance of the Premises and (ii) shall supersede prospectively from the date it is entered into any and all prior written or oral negotiations or agreements of the parties relating to the Premises. This License shall not be modified in any particular except by a written amendment duly executed by the parties.

LICENSEE

Dated: 6/7/2019

Dated: 06/06/2019

Dated: 6/6/2019







LICENSOR

Dated: _____

By: _____
Scott Collins, City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

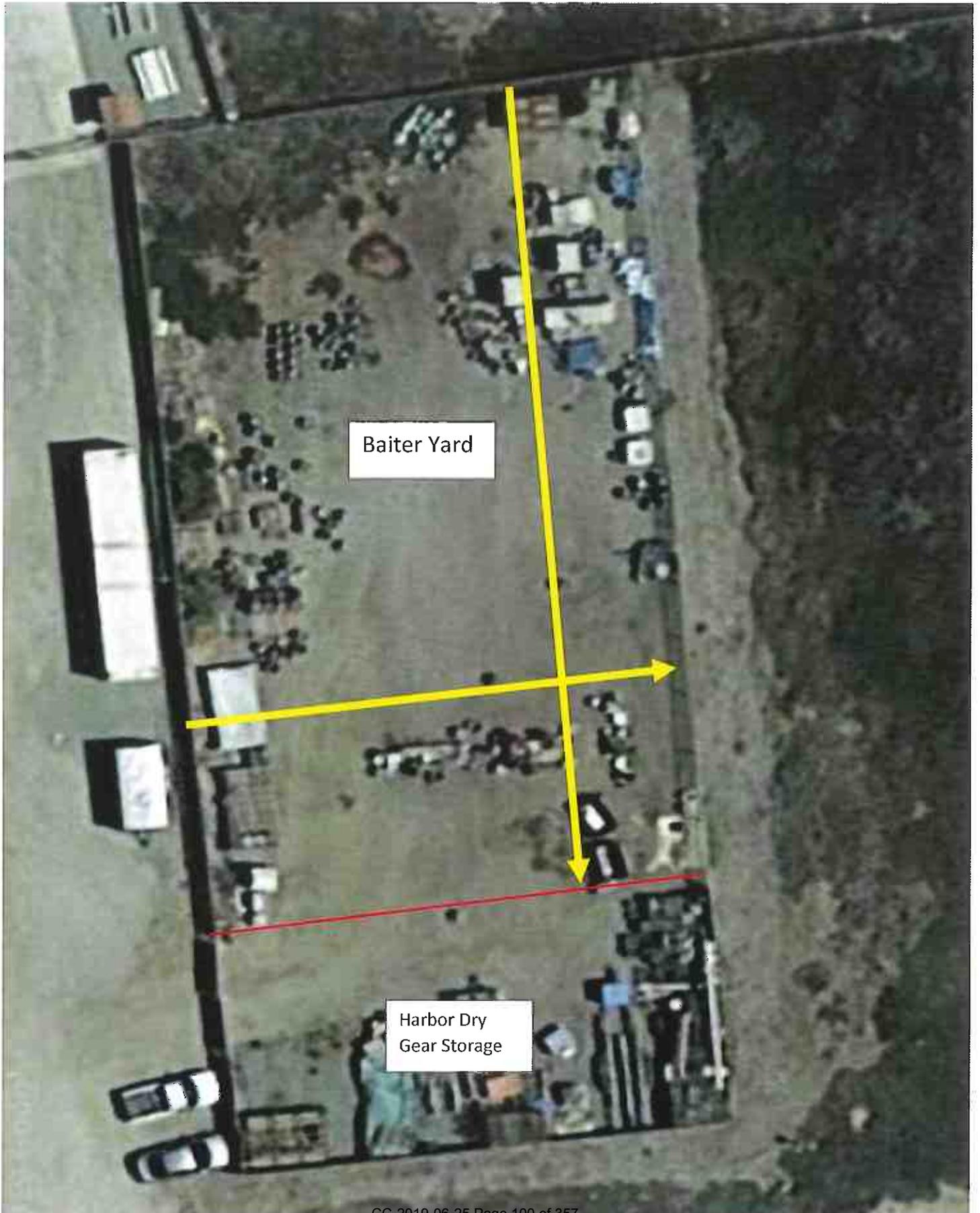
By: _____
Chris Neumeyer, City Attorney

EXHIBIT A
AERIAL OF PREMISES

(Immediately behind this page)

Exhibit A

Baiter Yard - Aerial of Premise



**CITY OF MORRO BAY
EXHIBIT B**

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Agreement, Licensee will maintain insurance in conformance with the requirements set forth below. Licensee will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Licensee agrees to amend, supplement or endorse the existing coverage to do so. Licensee acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to Licensor in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to Licensor.

Licensee shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Licensee owns no vehicles, then this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Licensee or Licensee’s employees will use personal autos in any way on this project, then Licensee shall provide evidence of personal auto liability coverage for each such person.

Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits, if required.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to Licensor for injury to employees of Licensee, subcontractors or others involved in the Work. The scope of coverage provided is

subject to approval of Licensor following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Licensee. Licensee and Licensor agree to the following with respect to insurance provided by Licensee:

1. Licensee agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds Licensor, and its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Licensee also agrees to require all Licensees, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Licensee, or Licensee's employees, or agents, from waiving the right of subrogation prior to a loss. Licensee agrees to waive subrogation rights against Licensor regardless of the applicability of any insurance proceeds, and to require all Licensees and subcontractors to do likewise.
3. All insurance coverage and limits provided by Licensee and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to Licensor or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to Licensor and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Licensee or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by Licensor, as the need arises. Licensee shall not make any reductions in scope of coverage (e.g., elimination of contractual liability or reduction of discovery period) that may affect Licensor's protection without Licensor's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Licensee's general liability policy, shall be delivered to Licensor at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, Licensor has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by Licensor shall be charged to and promptly paid by Licensee or deducted from sums due Licensee, at Licensor's option.
8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Licensee or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to Licensor.
9. Licensee agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Licensee, provide the same minimum insurance coverage required of Licensee. Licensee agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Licensee agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to Licensor for review.
10. Licensee agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Licensee, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to Licensor. If Licensee's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to Licensor. At the time Licensor shall review options with the Licensee, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
11. Licensor reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Licensee ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Licensee, Licensor will negotiate additional compensation proportional to the increase benefit to Licensor.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Licensee acknowledges and agrees that any actual or alleged failure on the part of Licensor to inform Licensee of non-compliance with any insurance requirements in no way

imposes any additional obligations on Licensor nor does it waive any rights hereunder in this or any other regard.

14. Licensee will renew the required coverage annually as long as Licensor, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until Licensor executes a written statement to that effect.
15. Licensee shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Licensee's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to Licensor within five days of the expiration of the coverages.
16. The provisions of any workers' compensation or similar act will not limit the obligations of Licensee under this agreement. Licensee expressly agrees not to use any statutory immunity defenses under such laws with respect to Licensor, its employees, officials and agents.
17. Requirements of specific coverage features, or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Licensee agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge Licensor or Licensee for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to Licensor. It is not the intent of Licensor to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against Licensor for payment of premiums or other amounts with respect thereto.

21. Licensee agrees to provide immediate notice to Licensor of any claim or loss against Licensee arising out of the work performed under this agreement. Licensor assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve Licensor.

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AGENDA NO: A-7

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor & City Council **DATE:** June 18, 2019

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Review and Receive Water Reclamation Facility (WRF) Capital Project Monthly Update Report

RECOMMENDATION

Council receive WRF Capital Project Monthly Update Report.

DISCUSSION

Provided as Attachment 1 is the Monthly WRF Project Report for May 2019 for Council and public review.

Additionally, the City is amending its contract with its Water and Wastewater Rate consultant, Bartle Wells Associates to provide rate analysis related to the recent decision by the State Water Resources Control Board to approve \$105 Million in loan and grant funds for the City's WRF project as part of the FY 2019/20 Intended Use Plan. Bartle Wells will provide additional analysis of existing approved rates and cash flow due to the award of the State Revolving Funds loans at a low-interest rate, which will likely be reduced from that previously anticipated and the \$5 Million in State Revolving Fund Grant monies, the award of which was not included in the previous rate study analysis. The cost to provide this additional financial and rate analysis and financing assistance for the WRF shall not exceed \$32,000, for a total contract amount not to exceed \$64,000, which is within the limits approved to be authorized by staff.

ATTACHMENT

1. City of Morro Bay Water Reclamation Facility Project Monthly Report May 2019

Prepared By: _____	Dept Review: <u>RL</u> _____
City Manager Review: <u>SC</u> _____	City Attorney Review: _____

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City of Morro Bay
Water Reclamation Facility Project

MONTHLY REPORT MAY 2019

FINAL | June 2019





City of Morro Bay
Water Reclamation Facility Project

MONTHLY REPORT MAY 2019

FINAL | June 2019

This document is released for the
purpose of information exchange review
and planning only under the authority of
Eric T. Casares,
June 2019,
State of California, PE.73351

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Section 1

PROJECT OVERVIEW

1.1 General Project Status Update

All components of the Water Reclamation Facility Project (Project) are currently in progress. City staff and the Program Manager (Carollo) are actively working with the design-build team and the pipeline designer to advance the design of the Water Reclamation Facility (WRF) and Conveyance Facilities, respectively. In May 2019, City staff and the Program Manager presented seventeen (17) potential change orders with a total value of \$1.9 million for the WRF to WRFCAC and the City Council. The City Council approved these PCOs and authorized City staff to update the design-build team's contract and associated guaranteed maximum price (GMP). The design-build team, City staff, and Carollo are also working to finalize the procurement packages that will be used to procure the major process equipment for the WRF. It is anticipated that the first four (4) procurement packages will be advertised to prospective equipment manufacturers in July 2019.

For the last several months, accessing properties owned by Vistra Energy Corporation (Vistra) and PG&E to complete necessary field work for design of the Conveyance Facilities has been a challenge. The result has been a delay in the schedule for this component of the Project by several months. However, in May 2019, access requirements with these two entities were successfully negotiated and field work was started. Last month, historical archeologists, biologists, archeologists, and surveyors completed the field work necessary to advance the Final Environmental Impact Report (EIR) addendum and the 60 percent design of the Conveyance Facilities. The Program Manager will be working with Water Works Engineers (WWE), the designer for this portion of the Project, to expedite the final design schedule and recover schedule time lost over the last several months.

The hydrogeologist (GSI) recently completed the Draft Groundwater Modeling Technical Memorandum (TM) also referred to as the "Phase 1" hydrogeological work. The TM evaluated the impacts of injection and extraction on the nitrate concentration in the groundwater and the basin's susceptibility to seawater intrusion during periods of sustained pumping. The results from this TM include the following:

- Pumping the City's permitted allotment of 581 acre feet per year (AFY) without injection would put the Lower Morro Valley Groundwater Basin at risk of seawater intrusion over time
- Injection at 825 AFY coupled with extraction at 581 AFY would reduce the total dissolved solids (TDS) concentration in the extracted water below 1,000 milligrams per liter (mg/L) or the drinking water secondary maximum contaminant level (MCL)

- Injection at 825 AFY coupled with extraction at 581 AFY would reduce the nitrate concentration in the extracted water below 45 mg/L or the primary drinking water MCL

During May 2019, the City and Program Manager worked with GSI to develop a work plan for activities that need to be completed on the property owned by Vistra to characterize the West injection location. Based on the current schedule, the necessary field testing to identify the preferred injection location, better define injection and extraction volumes, and confirm the groundwater travel time will commence in July 2019.

On June 18, 2019, the State Water Resources Control Board (State Board) adopted the Draft Intended Use Plan (IUP) for the Clean Water State Revolving Fund (CWSRF). This IUP included funding for the Project up to \$105 million including \$5 million in grants. With adoption of the IUP, the City anticipates it could be using a combination of cash on hand, WIFIA low-interest loans, and CWSRF low-interest loans and grants to fund the Project. In order to develop the most favorable combination of funding sources balancing funding availability, construction schedule, and the goal of minimizing the financial impacts on the community, the City is executing an amendment with Bartle Wells Associates (Bartle Wells). This amendment will extend their scope of work from development of the rate study (July 2018) to analyzing various funding scenarios to help the City finalize funding agreements with WIFIA and CWSRF. The amendment will be finalized before the end of June 2019.

Table 1 summarizes some of the key accomplishments and critical challenges identified for the Project in May 2019.

Table 1 Project Accomplishments and Challenges

Project Component	Key Accomplishments	Critical Challenges	Actions to Overcome Challenges	Likely Outcomes
General Project	Gained access to Vistra and PG&E property to complete historical architecture, archeological, and biological field work necessary to complete the Final EIR addendum			
	Continued working with California Coastal Commission (CCC) staff to complete the Coastal Development Permit (CDP) application			
Water Reclamation Facility	Seventeen (17) potential change orders (PCOs) approved by City Council			
Conveyance Facilities	Continued development of the 60 Percent Design Submittal			
		Schedule recovery due to issues access Vistra and PG&E property	Work with WWE to expedite the final design schedule (options could include eliminating some intermediate deliverables)	Without expediting the schedule, delayed construction completion could impact the schedule for start-up of the WRF
Recycled Water Facilities		Schedule recovery due to issues access Vistra and PG&E property	Work with GSI to expedite the completion of the Phase 2 hydrogeology work	Without expediting the schedule, the completion of the injection wells could be delayed (does not impact compliance with the TSO)

Section 2

PROJECT COSTS

2.1 Performance Measures

A set of five (5) Key Performance Indicators (KPIs) were established to readily measure the progress of the Project. These KPIs represent various success factors associated with the WRF project management and delivery that were established by the Program Manager and City staff and are summarized as Table 1. The Project's performance is also illustrated graphically in Figures 1 and Figure 2.

Table 2 WRF Project Performance Measures

Performance Measure	Data	Target	Current	Delta	Status	Ⓞ	Ⓢ	Ⓡ
1: Total Project Costs	Total Project Projected Cost at Completion versus the Baseline Budget (budget as of 3/31/19)	\$125.9 M	\$124.5 M	-1.2%	Ⓞ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.1: WRF Costs	On Site WRF Projected Cost at Completion versus the Baseline Budget (budget as of 3/31/19)	\$77.1 M	\$77.9 M	1.0%	Ⓞ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.2: Conveyance Facilities Costs¹	Conveyance Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 3/31/19)	\$26.3 M	\$29.5 M	11.8%	Ⓡ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.3: Recycled Water Facilities Costs¹	Off Site Injection Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 3/31/19)	\$12.1 M	\$5.7 M	-52.9%	Ⓞ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.4: General Project Costs²	General Project Projected Cost at Completion versus the Baseline Budget (budget as of 3/31/19)	\$10.5 M	\$11.5 M	9.5%	Ⓢ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
2: Program Manager Earned Value	Ratio of Program Manager Earned Value to Actual Invoiced Cost-to-Date (as of 5/31/19)	1.00	1.05	0.05	Ⓞ	>= 1.00	0.99 to 0.90	< 0.90
3: Schedule Performance Index³	Ratio of Planned Percent Complete to Actual Percent Complete (as of 5/31/19)	1.00	0.83	-0.17	Ⓢ	>=1.00	0.99 to 0.80	<0.80
4: Conveyance Pipeline Installed	Feet of conveyance pipeline installed (thru 5/31/19)	18,500 LF	0.0 LF	0.0%	Ⓞ	<= 5%	> 5% and <=7.5%	> 7.5%
5: Compliance Date Countdown	Days Remaining to Compliance Date (as of 5/31/19)	1,369 days	970 days	-399 days	Ⓞ	<= 365 days	364 days and 180 days	> 179 days

Notes:
 (1) The cost of the potable reuse pipeline (assumed East injection location) was moved from the Recycled Water Facilities Project to the Conveyance Facilities Project following completion of the baseline cost estimate in May 2018.
 (2) General Project Costs include Program Management, funding, permitting, etc. Costs from other project components were reclassified as General Project Costs following development of the baseline cost estimate in May 2018.
 (3) Delays associated with access to Vistra and PG&E property have resulted in schedule delays impacting hydrogeology work and completion of the Conveyance Facilities final design.

Section 3

PROJECT COSTS

3.1 Project Budget

The overall budget status for the Project is summarized in Table 3. The top half of the table provides a summary of total estimated Project costs, including original and current estimated costs for the entire Project. The bottom half of Table 3 shows the total amount of work currently under contract and provides a summary of total charges.

Table 3 WRF Project Overall Budget Status (thru May 2019)

Summary of Total WRF Project Cost	
Original Baseline WRF Project Budget ⁽¹⁾	\$125,938,000
Current WRF Project Budget (as of 3/31/19)	\$124,438,000
Budget Percent Change (Current versus Baseline)	-1.2%
Total Expenditures for May 2019	\$633,907
Total Expenditures to Date (thru 5/31/19 invoices)	\$10,104,888
Percent of Current WRF Project Budget Expended	8.1%
Summary of Contracted Work	
Total Contracted Amount	\$75,339,249
Percent of Current WRF Project Budget Contracted	60.5%
Total Contracted Amount Expended	\$8,600,079
Percent of Contracted Amount Expended	11.4%
Remaining WRF Project Contracted Amount	\$66,739,170

Notes:

(1) Developed in the spring of 2018 as the basis of the approved rate surcharge that will take effect in July 2019.

3.2 Project Cash Flow

Presented in Figure 1 are the projected and actual expenditures for the Project through May 2019 compared to the baseline budget developed in 2018 as the basis for the rate surcharge. The line graph shows the cumulative values for the Project and the bars show the discrete monthly values. Actual and budgeted expenditures from 2013 to the end of Fiscal Year 2017/2018 have been combined to improve readability. Milestones have been added to the cumulative baseline budget and cumulative forecasted expenditures to show changes in the Project schedule that have occurred between development of the baseline budget in May 2018 and the re-baselined budget developed at the end of March 2019. The milestone corresponds to the substantial completion of the WRF, which coincides with the City being in compliance with the time schedule order (TSO) issued by the Regional Water Quality Control Board (RWQCB) in June 2018.

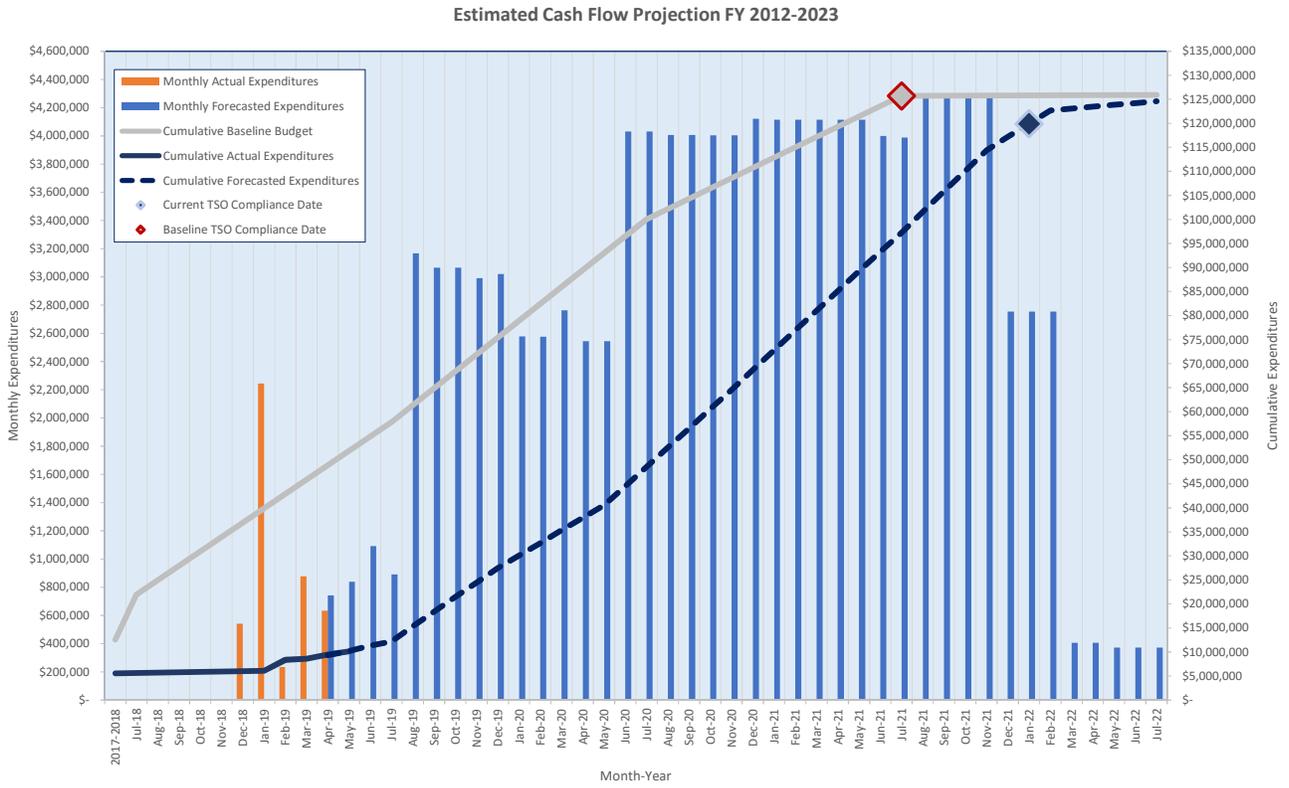


Figure 1 Project Cash Flow Projections and Actual Expenditures

Section 4

PROJECT SCHEDULE

A summary of the Project schedule is presented in Figure 2. The light blue bars for each major task represent the planned progress based on the re-baselined schedule developed at the end of March 2019. The dark blue bars represent the current actual progress as of May 2019. For each major line item, the schedule performance index (SPI) has been provided as well as an overall SPI for the entire Project. The SPI is a ratio of the planned percent complete versus the current actual percent complete. A SPI of greater than 1.00 indicates that the Project is on or ahead of schedule and a SPI of less than 1.00 indicates the Project is running behind the planned schedule.

4.1 Project Milestones

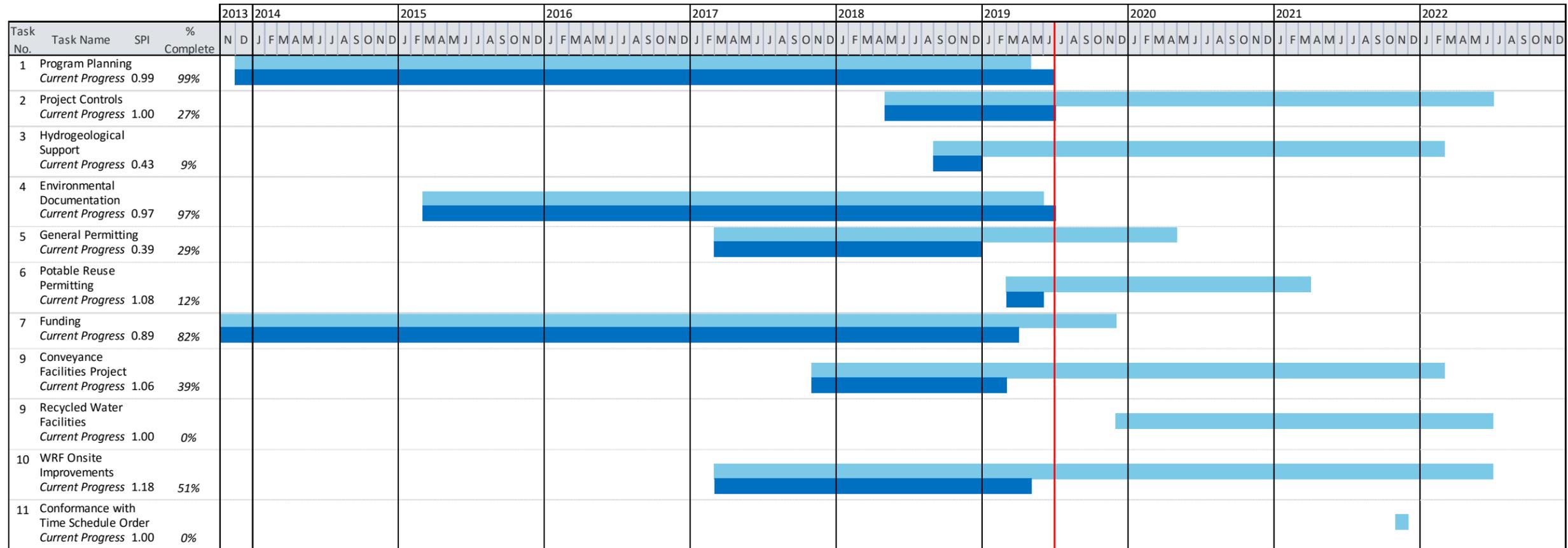
In June 2018, the City received a TSO from the RWQCB. The TSO requires the City to comply with a time schedule that will, within five years of adoption, allow the City to achieve full compliance with biochemical oxygen demand (BOD) and total suspended solids (TSS) final effluent limitations established in Order No. R3-2017-0050. In addition to the final compliance date, a number of intermediate milestones are provided in Table 3 (Compliance Schedule) of the TSO. Presented in Table 4 are the milestones in the TSO.

Table 4 Project Construction Milestones

Required Actions	Compliance Due Date	Planned Compliance Date	Actual Compliance Date
Release of Public Draft EIR	March 30, 2018	-	March 30, 2018
Release of Updated Rate Study	June 30, 2018	-	July 05, 2018
Proposition 218 Hearing	August 30, 2018	-	September 11, 2018
Certification of Final EIR	June 30, 2018	-	August 14, 2018
Award of Contract for WRF	September 30, 2018	-	October 23, 2018
Develop, Implement, and Submit Pollution Prevention Plan (PPP) for BOD and TSS	December 01, 2018	TBD ¹	-
Award of Contract for Construction of Conveyance Facilities	November 30, 2019	May 08, 2020	-
Completion of WRF Improvements with Completion Report	December 30, 2022	January 25, 2022	-
Full compliance with final effluent limitations	February 29, 2023	January 25, 2022	-

Notes:

- (1) The City and Program Manager have noted this requirement in the previous quarterly progress reports sent to the RWQCB (as required by the TSO). The City has requested that the Enhanced Source Control Program (ESCP) required as part of the Title 22 Engineer's Report be considered acceptable for this requirement in lieu of the PPP identified in the TSO.



Project SPI: 0.83
 Program % Complete: 54%

Figure 2 Project Milestone Summary



AGENDA NO: A-8

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: June 18, 2019

FROM: Scott Collins, City Manager

SUBJECT: Agreement Between the City and Morro Bay Chamber of Commerce for Economic Development Facilitation Support Services

RECOMMENDATION

Approve the proposed agreement with the Morro Bay Chamber of Commerce to provide economic development services for the City and approve the City Manager executing in substance the proposed agreement.

ALTERNATIVES

Council could elect to not pursue a partnership with the Chamber of Commerce and provide direction for an alternative economic development service delivery model accordingly.

FISCAL IMPACT

City Council approved the Fiscal Year 2019/20 budget with \$62,000 to support a partnership with the Morro Bay Chamber of Commerce to deliver economic development services to the City. If the recommended agreement is approved, the fiscal impact would be that amount.

BACKGROUND

In the eyes of Jeff Finkle, President and CEO of the International Economic Development Council, “economic development is about creating places where people want to invest, work and live. It’s about making connections between people, companies, institutions, and communities.” That foundation is what helped drive the City Council approved Economic Development Strategic Roadmap (Strategic Plan).

Approved in 2017, the Strategic Plan serves as a roadmap to guide economic development initiatives and actions to improve the local economy in the wake of the Morro Bay Power Plant closure. A key recommendation from the Strategic Plan included the need to appoint an ombudsman/point person in the City ranks to help implement the Strategic Plan. At that time, the City had a Deputy City Manager position primed to fulfill those duties. However, the City defunded that position mid-year of Fiscal Year 2017/18 as a needed budget savings measure. Since that time, the City has utilized a team approach and partnered with the Chamber of Commerce to meet some immediate goals of the Strategic Plan.

That effort in part led to the formation of the Chamber – City 4MB project that was launched in FY 2018/19. 4MB was geared towards business outreach and support, as the Chamber and City engaged with businesses in each of the four major economic centers in Morro Bay (downtown, waterfront, North Main Street and Quintana) through business walks, forums and trainings. In

Prepared By: SC

Dept Review: SC

City Manager Review: SC

City Attorney Review: CFN

return for Chamber leadership and facilitation services on the 4MB project, the City provided a \$30,000/year payment to the Chamber. By in large that pilot effort has been successful, with the City receiving feedback about Downtown tree lighting and citywide Wayfinding, and the Chamber has experienced growth in local business participation in their training offerings.

However, through the 4MB effort, it has become clear that certain important economic development needs for the City and community continue to go unmet. Key among the deficiencies is the fact that the City does not have the necessary staffing to effectively engage with businesses/business groups outside the City and region who may be interested in relocating to Morro Bay.

City Council has made achieving fiscal and economic sustainability its top priority for 2019 and 2020, as established through the goals and objectives process. Through that process, Council and staff concurred that the City should consider contracting with an outside agency/firm/organization to provide economic development support to help drive key initiatives under the economic sustainability goal. The next section below discusses the proposed City-Chamber agreement, with terms that City Council discussed and supported by consensus at their June 11, 2019 meeting.

DISCUSSION

Staff recommends that City Council approve the attached agreement with the Chamber. The major components of the agreement are outlined below.

Proposed basic tenets of the agreement:

Services to be provided by Chamber

1. Business Support – The goal of this service is to continue efforts launched with the 4MB program.

Key Deliverables:

- a. The Chamber will provide monthly business and entrepreneurship trainings in partnership with Women’s Business Center, SCORE and the Cal Poly Center for Innovation and Entrepreneurship / Small Business Development Center.
 - b. Monthly business walks – focus on developing working groups in economic centers to address branding, revitalization, and economic center-specific needs.
 - c. City Page on Chamber website plus trainings on “talking to the City” and “starting your business.”
 - d. “Roadmap to Success” – assisting new businesses in their launch, so that they are aware of and plan for key challenges that new businesses experience.
2. “New Day in the Bay” – This effort is about marketing Morro Bay to the region and beyond as a place to do business. The Chamber representative will connect with opportunity site owners, establish connections with commercial brokers in the region, and engage appropriate City representatives in those discussions.

Key Deliverables:

- a. Video spot
- b. Relocation Guide
- c. Developer Roundtables
- d. Investment Roundtables
- e. Economic Development website

3. Permit Process Review – There are two components to this proposed service. The first is for the Chamber representative to assist businesses with pre-planning and the other is to assist the City in reviewing and making improvements to the permitting process for commercial/business development.

Key Deliverables:

- a. Pre-planning/Concept project review for interested businesses, at no cost.
- b. Review of permit process for commercial development.

Communication, Structure and Performance Reporting

The City Manager will meet with the Chamber CEO on a bi-weekly basis at minimum to discuss opportunities and challenges. The City Manager and Chamber CEO would track real world stories, discuss process issues, work on resolution of problems with quality of plans being submitted, identify opportunities to pursue and who and when such opportunities should be pursued, and reporting out work on boards and regional committees focused on economic development. In addition, it is recommended that the Chamber present outcomes to City Council on a quarterly basis.

It is recommended that the Chamber track the following performance measures initially:

- Number of contacts made,
- meetings held,
- presentations hosted,
- permits stamped complete,
- training attendance,
- completion of marketing materials and distribution,
- live microsite (economic development website) launch and update webpages.

The performance measures are primarily output measures, not outcome measures. That is in recognition of the fact that an effort like this will take several years to deliver notable changes in terms of new business starts and other desired outcomes.

Lastly, the Chamber and the City will maintain their independence, and Chamber representative(s) who assist the City in this endeavor will not be an employee(s) of the City, nor will they be supervised by the City Manager or any other City staff member.

Staff will take Council direction from this item and convene with Chamber staff to develop an agreement.

ATTACHMENT

1. Link to [Economic Development Strategic Plan Roadmap](#)
2. Agreement between City and Morro Bay Chamber of Commerce

**AGREEMENT
BY AND BETWEEN THE CITY OF MORRO BAY
AND THE MORRO BAY CHAMBER OF COMMERCE FOR
ECONOMIC DEVELOPMENT SERVICES FOR FISCAL YEAR 2019-2020**

This AGREEMENT is made and entered into by and between the City of Morro Bay, a municipal corporation (hereinafter called “City”), and the Morro Bay Chamber of Commerce, a California non-profit corporation (hereinafter called “Chamber”).

WHEREAS, City and Chamber will benefit from viable and vibrant business retention, expansion and development within City’s jurisdictional boundaries;

WHEREAS, Chamber and City have worked together for several years to attempt to achieve that viable and vibrant business community; and

WHEREAS, Chamber and City desire to continue and enhance those efforts through renewed focused efforts and City funding.

NOW, THEREFORE, the parties agree as follows:

Section 1. Intent

City and Chamber recognize the strength and successes of collaboration and cooperation. It is the intent of this Agreement to reflect a formalized cooperative agreement between the two parties to further the business climate in City’s jurisdiction in an effective and efficient manner. This Agreement describes the scope of services Chamber will provide with funding provided by City during City’s 2019/2020 Fiscal Year (FY). This Agreement is not intended to be all-inclusive of all efforts between the parties regarding economic development but does set forth the parties’ understanding of the use of the Funding.

Section 2. Funding and Use of Funding.

A. For City’s FY 2019-2020 (the “Period”), City shall provide Sixty Two Thousand Dollars (\$62,000.00) (the “Funding”) to Chamber from City’s General Fund with a monthly payment of Five Thousand One Hundred and Sixty Seven Dollars (\$5,167.00) for expenditures for the services and activities listed below to be completed within the period. Time is of the essence in the performance of this Agreement.

1. Chamber, through its Executive Director, and City, through its City Manager (or his designee) shall meet regularly, at mutually convenient times, to collaborate and coordinate economic development strategies.
2. Chamber shall agree to notify the City as soon as possible regarding any business success or needs or other relevant updates.

3. Chamber shall use best efforts to meet all key deliverables set forth in this agreement.
4. Chamber shall provide business support, the goal of this service is to continue efforts launched with the 4MB program. Key Deliverables for business support:
 - a. The Chamber will provide monthly business and entrepreneurship trainings in partnership with Women’s Business Center, SCORE and the Cal Poly Center for Innovation and Entrepreneurship / Small Business Development Center.
 - b. Monthly business walks – focus on developing working groups in economic centers to address branding, revitalization, and economic center-specific needs.
 - c. City Page on Chamber website plus trainings on “talking to the City” and “starting your business.”
 - d. “Roadmap to Success” – assisting new businesses in their launch, so that they are aware of and plan for key challenges that new businesses experience.
5. Chamber will lead effort to rebrand Morro Bay as a place to conduct business with the slogan “New Day in the Bay.” This effort is about marketing Morro Bay to the region and beyond as a place to do business. The Chamber representative will connect with opportunity site owners, establish connections with commercial brokers in the region, and engage appropriate City representatives in those discussions. Key Deliverables for the “New Day in the Bay”:
 - a. Develop a video spot
 - b. Produce and distribute a relocation guide
 - c. Conduct and facilitate developer roundtables
 - d. Conduct and facilitate investment roundtables
 - e. Help launch and update new economic development microsite
6. Chamber will support a development permit process review. There are two components to this proposed service. The first is for the Chamber representative to assist businesses with pre-planning and the other is to assist the City in reviewing and making improvements to the permitting process for commercial/business development. Key Deliverables for Development Review Process:
 - a. Pre-planning/Concept project review for interested businesses, at no cost.
 - b. Review of permit process for commercial development.

Section 3. Other Activities

A. Chamber shall also do the following:

1. Ensure no funding provided by City shall be used to support activities that generally serve and benefit only Chamber membership or programs not directly related to the

economic development program described in this Agreement;

2. Operate the program hereunder for the general public good for the promotion of business, industry, and trade within City;
3. Make its books and financial records, concerning the funds expended under this Agreement, available to City for inspections, review and audit; and
4. Establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to City under this Agreement and shall substantiate all such costs, and comply with any applicable State and Federal standards.

B. Chamber shall not use City funding for any of the following:

1. Attempting to influence legislation;
2. Organizing or engaging in protests, petitions, boycotts, or strikes;
3. Assisting, promoting or deterring union organizing;
4. Impairing existing contracts for services or collective bargaining agreements;
5. Engaging in partisan political activities or other activities designed to influence the outcome of an election to any public office;
6. Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials;
7. Engaging in religious instruction; conducting worship services, providing instruction as part of a program that includes mandatory religious instruction or worship, constructing or operating facilities devoted to religious instruction or worship, maintaining facilities primarily or inherently devoted to religious instruction or worship, or engaging in any form of religious proselytization; or
8. Any other activity prohibited by any law, rule or regulation or City cannot legally perform or participate in.

Section 4. Payments.

Chamber shall submit written requests for each monthly payment to be used for expenditures based on Chamber's adopted budgets. City shall provide payment to Chamber, upon approval of the request by the City's Finance Director. City shall use its best efforts to make payment to Chamber within 25 days after receipt of a request.

Section 5. Reports.

A. Chamber shall present quarterly updates (September/December/March/June) to the City Council at a regularly scheduled City Council meeting on the status of its efforts to include:

1. Quantitative and qualitative data that measure Chamber's success reflective of key deliverables;
2. Number of City businesses that received direct assistance from Chamber for business retention or expansion;
3. Number of Prospective businesses Chamber talked with about relocating to or opening in City; and
4. The persons relied on to support the work of this Agreement.

B. Chamber shall provide City with an annual report reviewed by a Certified Public Accountant, itemizing how Chamber expended City's payment specified in Section 2. Such report shall provide separately detailed accounts for each program funded by City, and be due no later than 6 months after the end of the Period. This provision shall survive the termination of this Agreement.

Section 6. Ownership of Work Product.

A. Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by Chamber or any third party contracted by Chamber, in the performance of this Agreement, if paid in whole by the funding provided by this Agreement ("Work Product") shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. All Work Product shall be considered to be "works made for hire," and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. Chamber shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

B. It is understood and agreed Chamber currently owns exclusively intellectual property rights to its name, committee and event titles, and logos, which will be utilized in the performance of this Agreement, ("Chamber Property"). Chamber reserves all rights, title and interest in Chamber Property, and hereby grants City a revocable, nonexclusive, license to the use of Chamber Property to the extent it becomes incorporated into, and inseparable from, the Work Product.

C. This section 6 shall survive termination of this Agreement.

Section 7. Assignment. This Agreement shall not be assigned by Chamber without the written consent of City.

Section 8. Independent Contractor.

At all times during the term of this Agreement, Chamber shall be independent contractors and Chamber, their officers, employees and agents shall not be employees of City.

Section 9. Personnel.

Chamber represents it has, or will secure at its own expense, all personnel required to perform the services under this Agreement. Chamber shall be solely responsible for the work performed by third party contractors, including timely performance and payment.

Section 10. Term.

This Agreement shall remain in full force and effect from July 1, 2019 until June 30, 2020, unless terminated earlier as provided in Section 11 of this Agreement.

Section 11. Termination of Agreement.

City or Chamber may terminate this Agreement at any time, with or without cause, upon thirty-days written notice to the other party. In the event of such termination, City shall pay Chamber for all costs and obligations reasonably incurred by Chamber in satisfactorily performing its services under this Agreement prior to the date of termination, and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt of such notice.

Section 12. Notice.

Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail, postage prepaid, to the addresses below, unless and until a different address may be furnished in writing by any party:

To City: City Clerk
 City of Morro Bay
 595 Harbor Street
 Morro Bay, CA 93442

To Chamber: Morro Bay Chamber of Commerce
 695 Harbor Street
 Morro Bay, CA 93442

Such notices shall be deemed to have been served within seventy-two hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and

sufficient service of notice for all purposes.

Section 13. Insurance.

A. Chamber shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance written on a per occurrence basis with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by Chamber.

B. Chamber agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation and employer's liability insurance as required by law.

C. Chamber agrees to maintain Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Chamber owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Chamber or Chamber's employees will use personal autos in any way to perform the Scope of Services, then Chamber shall provide evidence of personal auto liability coverage for each such person.

D. Chamber shall require each of its sub-consultants or sub-contractors to maintain insurance coverage, which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager.

E. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+; VII in the latest edition of Best's Insurance Guide.

F. If Chamber fails to keep the aforesaid insurance in full force and effect, then City shall notify Chamber it is a breach of this Agreement and Chamber has three days to cure such breach. If such breach is not cured by Chamber as required in this paragraph, then City may terminate this Agreement or, if insurance is available at a reasonable cost, then City may take out the necessary insurance and pay, at Chamber's expense, the premium thereon. Chamber is under a continuing obligation to maintain the aforesaid insurance irrespective of whether City provides such notification to Chamber.

G. At all times during the term of this Agreement, Chamber shall maintain on file with City's Risk Manager a certificate or certificates of insurance on the form required by City, showing the aforesaid policies are in effect in the required amounts. Chamber shall, prior to commencement of work under this Agreement, file with the Risk Manager such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming City, its officers, employees and agents as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or

reduced except on thirty-days' prior written notice to City, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

H. The insurance provided by Chamber shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

I. Any deductibles or self-insured retentions must be declared to and approved by City prior to commencing work under this Agreement.

Section 14. Indemnification.

Chamber shall defend, indemnify, and hold harmless City, its officials, officers, employees, volunteers and agents serving as independent contractors in the role of City officials (collectively "Indemnitees") from any and all claims, demands, causes of action, costs, including reasonable attorney's fees and court costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, ("Damages") in any manner arising out of or incident to any act or omission of Chamber or any of its employees or its agents in connection with the performance of this Agreement, including without limitation the payment of all consequential damages and reasonable attorney's fees and other related costs and expenses, except for such loss or damage arising from the sole negligence or willful misconduct of any of the Indemnitees; provided, that the obligation to indemnify and hold harmless is only to the extent Chamber or its officers, employees or agents cause the Damages. All duties of Chamber under this Section shall survive termination of this Agreement.

Section 15. Extent of Agreement.

This Agreement represents the entire and integrated Agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements, instrument signed by all parties to this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

Section 16. Severability.

Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

Section 17. Waiver.

No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be

deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

Section 18. Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

Section 19. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 20. Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

Section 21. Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Chamber, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Chamber or to its successor, or for breach of any obligation of the terms of this Agreement.

Section 22. California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Luis Obispo, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Luis Obispo, State of California.

[Signatures on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the _____ day of _____ 2019, at Morro Bay, California.

CITY OF MORRO BAY

MORRO BAY CHAMBER OF COMMERCE

By: _____
SCOTT COLLINS
City Manager

By: _____

Its _____

Attest:

By: _____

Its _____

DANA SWANSON,
City Clerk

Approved As To Form:

CHRIS F. NEUMEYER,
City Attorney



AGENDA NO: A-9

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: June 14, 2019

FROM: Jennifer Callaway, Finance Director

SUBJECT: **Adoption of Resolutions approving the City of Morro Bay Accounting and Financial Reporting Policies related to Computer Disaster Recovery Plan, Capital Assets, City Credit Cards, Travel, Reimbursement, Cash Advance, Donations, Grant Management, Utility Payment Arrangement, Leak Review, Approved Payment Types, and Change of Primary Account Holder**

RECOMMENDATION

Staff recommends the City Council adopt Resolution Nos. 58-19 through 62-19 approving the City of Morro Bay's Accounting and Financial Reporting Policies related to Computer Disaster Recovery Plan, Capital Assets, City Credit Cards, Travel, Reimbursement, Cash Advance, Donations, Grant Management, Utility Payment Arrangement, Leak Review, Approved Payment Types, and Change of Primary Account Holder.

BACKGROUND

At the July 10, 2018 City Council meeting, the Council requested the development of a fiscal emergency plan be added to future Council items. In addition, the Council previously requested financial policies be added to a future Council agenda for review and discussion. On August 28, 2018, staff brought forward an action plan outlining the process to complete both a fiscal resiliency plan and formation of Accounting Policies and Procedures. Council approved staff's recommended plan and, as such, staff has proceeded with developing a myriad of financial policies. The Council has adopted the following policies thus far:

- General Fund Emergency Reserve Policies
- Internal Service Funds Reserve Policy
- Harbor and Enterprise Funds Accumulation Fund Reserve Policies
- Morro Bay Tourism Business Improvement District Accumulation Fund Reserve Policy
- Financial Management Policy
- Unclaimed Property Policy
- Fraud, Waste and Abuse Policy
- Disposal of Surplus Equipment & Property Policy
- Purchase Order Policy
- WRF Rate Surcharge Adjustment Policy
- Proration for Utility Bills and Notification to Customers Policy
- Utility Discount Program Policy
- Short-Term Fiscal Emergency Plan
- Long-Term Financial Planning Policy
- Revenue and Expenditure Policy
- Debt Management Policy
- Investment Policy

Prepared By: JC

Dept Review:

City Manager Review: SC

City Attorney Review: CFN

- Penalty Waiver Policy for Utilities
- Utility Proration Policy

Staff has further drafted Accounting and Financial Reporting Policies concerning Computer Disaster Recovery, Financial Policies and Procedures, and a series of Utility Management Policies for Council consideration and adoption. These policies are described in more detail below.

DISCUSSION

Computer Disaster Recovery Plan

Governments provide many essential services to their citizens. The disruption of these services following a disaster could result in significant harm or inconvenience to those whom a government serves. State and local governments have a duty to ensure that disruptions in the provision of essential services are minimized following a disaster. Today the public sector, like the private sector, relies heavily upon computers and other advanced technologies to conduct its operations. Therefore, disaster recovery planning, in order to be effective, must specifically address policies and procedures for minimizing the disruption of government operations if computers or other advanced technologies are disabled following a disaster.

Government Finance Officers Association (GFOA) recommends that every government formally establish written policies and procedures for minimizing disruptions resulting from failures in computers or other advanced technologies following a disaster. As such, staff has prepared a Disaster Recovery Plan, provided as Exhibit A to Resolution No. 58-19 (Attachment 1), which is designed to describe the City of Morro Bay's ability to withstand a disaster as well as the processes that must be followed to achieve disaster recovery. The plan documents the steps that the City will follow if a disaster occurs.

Additional Financial Policies

Staff has drafted a myriad of other financial policies and procedures to assist with fair and consistent practices throughout the City as well as to comply with the City's Auditor's recommendation to develop such policies. Attachments 2 through 4 adopt the remaining financial policies. Specifically, Resolution 59-19 (Attachment 2) includes Exhibit A adopting the City of Morro Bay's Capital Asset Policy and Resolution 60-19 (Attachment 3) includes Exhibits A – D adopting the City's Credit Card Policy, Travel Policy (previously administratively approved), Reimbursement Policy and Cash Advance Policy. Resolution 61-19 (Attachment 4) includes Exhibits A and B adopting the City's Donation Policy and Grants Management Policy.

Utility Management Policy

To accompany the general financial policies and procedures, staff has been working to formalize policies related to existing Utility Billing practices, to not only ensure practices are clear, and uniformly and consistently applied to all customers, but also for transparency purposes so the Council and community are aware of the City's utility billing policies. Resolution 62-19 (Attachment 5) includes Exhibits A through D for Council consideration and adoption, are utility billing policies related to payment arrangements, leak review, types of payment accepted and change of the Primary Account holder.

CONCLUSION

Having clearly defined financial policies that reflect the City's values will serve as the foundation for decision-making in tough fiscal times and will aid in preserving the City's long-term fiscal health and

vitality. Staff recommends Council review the proposed policies and adopt Resolution Nos. 58-19 through 62-19 to approve the proposed policies.

ATTACHMENTS

1. Resolution No. 58-19
 - a. Exhibit A – Computer Disaster Recovery Plan
2. Resolution No. 59-19
 - a. Exhibit A – Capital Assets Policy
3. Resolution No. 60-19
 - a. Exhibit A – Credit Card Policy
 - b. Exhibit B – Travel Policy
 - c. Exhibit C – Reimbursement Policy
 - d. Exhibit D – Cash Advance Policy
4. Resolution No. 61-19
 - a. Exhibit A – Donation Policy
 - b. Exhibit B – Grant Management Policy
5. Resolution No. 62-19
 - a. Exhibit A– Payment Arrangement Policy
 - b. Exhibit B – Leak Review Policy
 - c. Exhibit C – Payment Type Policy
 - d. Exhibit D – Change of Primary Account Holder Policy

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RESOLUTION NO. 58-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE CITY OF MORRO BAY'S COMPUTER DISASTER RECOVERY PLAN**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay desires to establish City Financial policies, so as to direct staff and provide transparency to the Council and Community; and

WHEREAS, the City relies heavily on computers and other advance technologies to conduct its operations and provide essential services to its residents; and

WHEREAS, Government Finance Officers Association (GFOA) recommends that every government formally establish written policies and procedures for minimizing disruptions resulting from failures in computers or other advanced technologies following a disaster; and

WHEREAS, staff recommends the City Council adopt the proposed Computer Disaster Recovery Plan, which demonstrates the City's commitment to emergency response and fiscal responsibility and prudent management.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California:

1. The "Computer Disaster Recovery Plan," as set forth in Exhibit A, attached hereto and incorporated herein, is hereby approved
2. The City Manager in his/her reasonable judgment and as necessary is authorized to modify the approved "Computer Disaster Recovery Plan" for the sole purpose of minor updates concerning staffing and personnel changes, and such modifications shall have the full authority of Council approval unless otherwise disapproved by Council resolution.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25^h day of June 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

INFORMATION TECHNOLOGY DISASTER RECOVERY PLAN



CITY OF MORRO BAY

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Introduction

This Disaster Recovery Plan (DRP) captures, in a single repository, all of the information that describes City of Morro Bay's ability to withstand a disaster as well as the processes that must be followed to achieve disaster recovery.

Definition of a Disaster

A disaster can be caused by man or nature and results in City of Morro Bay's IT department not being able to perform all or some of their regular roles and responsibilities for a period of time. City of Morro Bay defines disasters as the following:

- One or more vital systems are non-functional
- The building is not available for an extended period of time, but all systems are functional within it
- The building is available, but all systems are non-functional
- The building and all systems are non-functional

The following events can result in a disaster, requiring this Disaster Recovery document to be activated:

- Fire
- Flash flood
- Pandemic
- Power Outage
- War
- Theft
- Terrorist Attack

Purpose

The purpose of this DRP document is twofold: first to capture all of the information relevant to the City's ability to withstand a disaster, and second to document the steps that the City will follow if a disaster occurs.

Note that in the event of a disaster the first priority of City of Morro Bay is to prevent the loss of life. Before any secondary measures are undertaken, City of Morro Bay will ensure that all employees, and any other individuals on the organization's premises, are safe and secure.

After all individuals have been brought to safety, the next goal of City of Morro Bay will be to enact the steps outlined in this DRP to bring all of the organization's groups and departments back to business-as-usual as quickly as possible. This includes:

- Preventing the loss of the organization's resources such as hardware, data and physical IT assets
- Minimizing downtime related to IT
- Keeping the business running in the event of a disaster

This DRP document will also detail how this document is to be maintained and tested.

Scope

The City of Morro Bay DRP takes all of the following areas into consideration:

- Network Infrastructure
- Servers Infrastructure

- Telephony System
- Data Storage and Backup Systems
- Data Output Devices
- End-user Computers
- Organizational Software Systems
- Database Systems
- IT Documentation

This DRP does not take into consideration any non-IT, personnel, Human Resources and real estate related disasters.

Version Information & Changes

Any changes, edits and updates made to the DRP will be recorded in here. It is the responsibility of the Disaster Recovery Lead to ensure that all existing copies of the DRP are up to date. Whenever there is an update to the DRP, City of Morro Bay requires that the version number be updated to indicate this.

Name of Person Making Change	Role of Person Making Change	Date of Change	Version Number	Notes
Steve Doerr	IT Manager	03/11/19	1.0	Initial version of DR Plan

Disaster Recovery Teams & Responsibilities

In the event of a disaster, different groups will be required to assist the IT department in their effort to restore normal functionality to the employees of City Morro Bay. The different groups and their responsibilities are as follows:

- Disaster Recovery Lead(s)
- Disaster Management Team
- Facilities Team
- Information Technology Team
- Operations Team
- Management Team
- Communications Team
- Finance Team

The lists of roles and responsibilities in this section have been created by City of Morro Bay and reflect the likely tasks that team members will have to perform. Disaster Recovery Team members will be responsible for performing all of the tasks below. In some disaster situations, Disaster Recovery Team members will be called upon to perform tasks not described in this section.

Disaster Recovery Lead

The Disaster Recovery Lead is responsible for making all decisions related to the Disaster Recovery efforts. This person's primary role will be to guide the disaster recovery process and all other individuals involved in the disaster recovery process will report to this person in the event that a disaster occurs at City of Morro Bay, regardless of their department and existing managers. All efforts will be made to ensure that this person be separate from the rest of the disaster management teams to keep his/her decisions unbiased; the Disaster Recovery Lead will not be a member of other Disaster Recovery groups in City of Morro Bay.

Role and Responsibilities

- Make the determination that a disaster has occurred and trigger the DRP and related processes.
- Initiate the DR Call Tree.
- Be the single point of contact for and oversee all of the DR Teams.
- Organize and chair regular meetings of the DR Team leads throughout the disaster.
- Present to the Management Team on the state of the disaster and the decisions that need to be made.
- Organize, supervise and manage all DRP test and author all DRP updates.

Contact Information

Name	Role/Title	Work Phone Number	Home Phone Number	Mobile Phone Number

Disaster Management Team

The Disaster Management Team that will oversee the entire disaster recovery process. They will be the first team that will need to take action in the event of a disaster. This team will evaluate the disaster and will determine what steps need to be taken to get the organization back to business as usual.

Role & Responsibilities

- Set the DRP into motion after the Disaster Recovery Lead has declared a disaster
- Determine the magnitude and class of the disaster
- Determine what systems and processes have been affected by the disaster
- Communicate the disaster to the other disaster recovery teams
- Determine what first steps need to be taken by the disaster recovery teams
- Keep the disaster recovery teams on track with pre-determined expectations and goals
- Keep a record of money spent during the disaster recovery process
- Ensure that all decisions made abide by the DRP and policies set by City of Morro Bay
- Get the secondary site ready to restore business operations
- Ensure that the secondary site is fully functional and secure
- Create a detailed report of all the steps undertaken in the disaster recovery process
- Notify the relevant parties once the disaster is over and normal business functionality has been restored
- After City of Morro Bay is back to business as usual, this team will be required to summarize any and all costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster

Contact Information

Name	Role/Title	Work Phone Number	Home Phone Number	Mobile Phone Number

Facilities Team

The Facilities Team will be responsible for all issues related to the physical facilities that house IT systems. They are the team that will be responsible for ensuring that the standby facilities (training room at the fire station) are maintained appropriately and for assessing the damage too and overseeing the repairs to the primary location in the event of the primary location's destruction or damage.

Role & Responsibilities

- Ensure that the standby facility is maintained in working order
- Ensure that transportation is provided for all employees working out of the standby facility
- Ensure that hotels or other sleeping are arranged for all employees working out of the standby facility
- Ensure that sufficient food, drink, and other supplies are provided for all employees working out of the standby facility
- Assess, or participate in the assessment of, any physical damage to the primary facility
- Ensure that measures are taken to prevent further damage to the primary facility
- Work with insurance company in the event of damage, destruction or losses to any assets owned by City of Morro Bay
- Ensure that appropriate resources are provisioned to rebuild or repair the main facilities in the event that they are destroyed or damaged
- After City of Morro Bay is back to business as usual, this team will be required to summarize any and all costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster

Contact Information

Name	Role/Title	Work Phone Number	Home Phone Number	Mobile Phone Number
Rob Livick	Director of Public Works			

Information Technology Team

The Network Team will be responsible for assessing damage specific to any network infrastructure and for provisioning data and voice network connectivity including WAN, LAN, and any telephony connections internally within the enterprise as well as telephony and data connections with the outside world. They will also be responsible for providing the physical server infrastructure required for the enterprise to run its IT operations and applications in the event of and during a disaster. Also responsible for ensuring that all enterprise applications operates as required to meet business objectives in the event of and during a disaster. This team will be responsible for providing employees with the tools they need to perform their roles as quickly and efficiently as possible. They will need to provision all City of Morro Bay employees in the standby facility and those working from home with the tools that their specific role requires. The primary responsibilities of this team are to provide baseline network functionality, provide baseline server functionality and to ensure and validate appropriate application performance.

Role & Responsibilities

- In the event of a disaster that does not require migration to standby facilities, the team will determine which network services are not functioning at the primary facility
- If multiple network services are impacted, the team will prioritize the recovery of services in the manner and order that has the least business impact.
- If network services are provided by third parties, the team will communicate and co-ordinate with these third parties to ensure recovery of connectivity.
- In the event of a disaster that does require migration to standby facilities the team will ensure that all network services are brought online at the secondary facility
- Once critical systems have been provided with connectivity, employees will be provided with connectivity in the following order:
 - All members of the DR Teams
 - All C-level and Executive Staff
 - All IT employees
 - All remaining employees
- Install and implement any tools, hardware, software and systems required in the standby facility
- Install and implement any tools, hardware, software and systems required in the primary facility
- In the event of a disaster that does not require migration to standby facilities, the team will determine which servers are not functioning at the primary facility
- If multiple servers are impacted, the team will prioritize the recovery of servers in the manner and order that has the least business impact. Recovery will include the following tasks:
 - Assess the damage to any servers
 - Restart and refresh servers if necessary
- Ensure that secondary servers located in standby facilities are kept up-to-date with system patches
- Ensure that secondary servers located in standby facilities are kept up-to-date with application patches
- Ensure that secondary servers located in standby facilities are kept up-to-date with data copies
- Ensure that the secondary servers located in the standby facility are backed up appropriately
- Ensure that all of the servers in the standby facility abide by the City's server policy
- Install and implement any tools, hardware, and systems required in the standby facility
- Install and implement any tools, hardware, and systems required in the primary facility
- In the event of a disaster that does not require migration to standby facilities, the team will determine which applications are not functioning at the primary facility
- If multiple applications are impacted, the team will prioritize the recovery of applications in the manner and order that has the least business impact. Recovery will include the following tasks:
 - Assess the impact to application processes
 - Restart applications as required

- Patch, recode or rewrite applications as required
- Ensure that secondary servers located in standby facilities are kept up-to-date with application patches
- Ensure that secondary servers located in standby facilities are kept up-to-date with data copies
- Install and implement any tools, software and patches required in the standby facility
- Install and implement any tools, software and patches required in the primary facility
- Maintain lists of all essential supplies that will be required in the event of a disaster
- Ensure that these supplies are provisioned appropriately in the event of a disaster
- Ensure sufficient spare computers and laptops are on hand so that work is not significantly disrupted in a disaster
- Ensure that spare computers and laptops have the required software and patches
- Ensure sufficient computer and laptop related supplies such as cables, wireless cards, laptop locks, mice, printers and docking stations are on hand so that work is not significantly disrupted in a disaster
- Ensure that all employees that require access to a computer/laptop and other related supplies are provisioned in an appropriate timeframe
- If insufficient computers/laptops or related supplies are not available the team will prioritize distribution in the manner and order that has the least business impact
- This team will be required to maintain a log of where all of the supplies and equipment were used
- After City of Morro Bay is back to business as usual, this team will be required to summarize any and all costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster

Contact Information

Name	Role/Title	Work Phone Number	Home Phone Number	Mobile Phone Number
Steve Doerr	IT Manager	805-772-6290		805-801-2948

Senior Management Team

The Senior Management Team will make any business decisions that are out of scope for the Disaster Recovery Lead. Decisions such as constructing a new data center, relocating the primary site etc. should be made by the Senior Management Team. The Disaster Recovery Lead will ultimately report to this team.

Role & Responsibilities

- Ensure that the Disaster Recovery Team Lead is help accountable for his/her role
- Assist the Disaster Recovery Team Lead in his/her role as required
- Make decisions that will impact the company. This can include decisions concerning:
 - Rebuilding of the primary facilities
 - Rebuilding of data centers
 - Significant hardware and software investments and upgrades
 - Other financial and business decisions

Contact Information

Name	Role/Title	Work Phone Number	Home Phone Number	Mobile Phone Number
Scott Collins	City Manager			

Communication Team

Elective

This will be the team responsible for all communication during a disaster. Specifically, they will communicate with City of Morro Bay’s employees, clients, vendors and suppliers, banks, and even the media if required.

Role & Responsibilities

- Communicate the occurrence of a disaster and the impact of that disaster to all City of Morro Bay’s employees
- Communicate the occurrence of a disaster and the impact of that disaster to authorities, as required
- Communicate the occurrence of a disaster and the impact of that disaster to all City of Morro Bay’s partners
- Communicate the occurrence of a disaster and the impact of that disaster to all City of Morro Bay’s clients
- Communicate the occurrence of a disaster and the impact of that disaster to all City of Morro Bay’s vendors
- Communicate the occurrence of a disaster and the impact of that disaster to media contacts, as required
- After City of Morro Bay is back to business as usual, this team will be required to summarize any and all costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster

Contact Information

Name	Role/Title	Work Phone Number	Home Phone Number	Mobile Phone Number

Finance Team

This team will be responsible for ensuring that all of City of Morro Bay's finances are dealt with in an appropriate and timely manner in the event of a disaster. The finance team will ensure that there is money available for necessary expenses that may result from a disaster as well as expenses from normal day-to-day business functions.

Role & Responsibilities

- Ensure there is sufficient cash on-hand or accessible to deal with small-scale expenses caused by the disaster. These can include paying for accommodations and food for DR team members, incremental bills, etc.
- Ensure there is sufficient credit available or accessible to deal with large-scale expenses caused by the disaster. These can include paying for new equipment, repairs for primary facilities, etc.
- Review and approve Disaster Teams' finances and spending
- Ensure that payroll occurs and that employees are paid as normal, where possible
- Communicate with creditor to arrange suspension of extensions to scheduled payments, as required
- Communicate with banking partners to obtain any materials such as checks, bank books etc. that may need to be replaced as a result of the disaster

Contact Information

Name	Role/Title	Work Phone Number	Home Phone Number	Mobile Phone Number

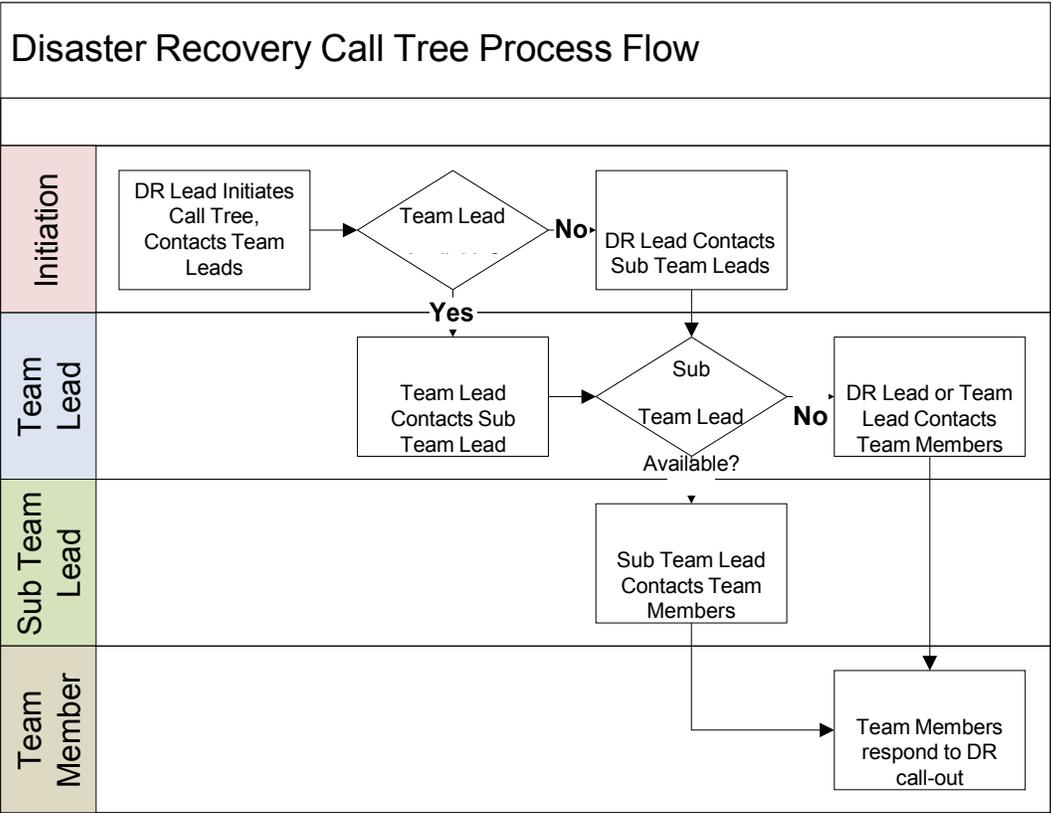
Disaster Recovery Call Tree

In a disaster recovery or business continuity emergency, time is of the essence so City of Morro Bay will make use of a Call Tree to ensure that appropriate individuals are contacted in a timely manner.

- The Disaster Recovery Team Lead calls all Level 1 Members (Blue cells)
- Level 1 members call all Level 2 team members over whom they are responsible (Green cells)
- Level 1 members call all Level 3 team members over whom they are directly responsible (Beige cells)
- Level 2 Members call all Level 3 team members over whom they are responsible (Beige cells)
- In the event a team member is unavailable, the initial caller assumes responsibility for subsequent calls (i.e. if a Level 2 team member is inaccessible, the Level 1 team member directly contacts Level 3 team members).

Contact	Office	Mobile	Home
DR Lead			
DR Management Team Lead			
DR Management Team 1			
DR Management Team 2			
Facilities Team Lead			
Facilities Team 1			
Information Technology Team Lead			
Information Techonlogy Team Lead 1			
Management Team Lead			
Management Team 1			
Communications Team Lead			

	Communications Team 1			
	Finance Team Lead			
	Finance Team 1			



Recovery Facilities

In order to ensure that City of Morro Bay is able to withstand a significant outage caused by a disaster, it has provisioned separate dedicated standby facilities. This section of this document describes those facilities and includes operational information should those facilities have to be used.

Description of Recovery Facilities

The Disaster Command and Control Center or Standby facility will be used after the Disaster Recovery Lead has declared that a disaster has occurred. This location is a separate location to the primary facility. **The current facility, located at 715 Harbor St is .50 miles away from the primary facility.**

The standby facility will be used by the IT department and the Disaster Recovery teams; it will function as a central location where all decisions during the disaster will be made. It will also function as a communications hub for City of Morro Bay.

The standby facility must always have the following resources available:

- Copies of this DRP document
- Fully redundant server room
- Sufficient servers and storage infrastructure to support enterprise business operations
- Office space for DR teams and IT to use in the event of a disaster
- External data and voice connectivity
- Sleeping quarters for employees that may need to work multiple shifts
- Kitchen facilities (including food, kitchen supplies and appliances)
- Bathroom facilities (Including toilets, showers, sinks and appropriate supplies)
- Parking spaces for employee vehicles

Operational Considerations

If employees are required to stay at the Standby Facility for extended periods of time and require hotel accommodations, they will be provided by the City of Morro Bay. The Facilities Team will be responsible for determining which employees require hotel accommodations and ensuring sufficient rooms are made available.

If employees are required to stay at the Standby Facility for extended periods of time and require food, it will be provided by the City of Morro Bay. The Facilities Team will be responsible for determining which employees require food and ensuring sufficient food is made available via groceries, restaurants or caterers as appropriate.

While in the Standby Facility, employees must work under appropriate, sanitary and safe conditions. The Facilities team will be responsible for ensuring that this facility is kept in proper working order.

Include only those operations considerations providers that are appropriate given the facilities of the Standby Facility.

Accommodations

Hotel 1	
Address	
Phone Number	

<<Map of Hotel 1's Location>>
<<Directions to get to Hotel 1 from the standby facility>>

Hotel 2	
Address	
Phone Number	

<<Map of Hotel 1's Location>>
<<Directions to get to Hotel 2 from the standby facility>>

Food, Beverages and Other Supplies

Restaurant/Grocery 1	
Address	
Phone Number	

<<Map of Restaurant/Grocery 1's Location>>
<<Directions to get to Restaurant/Grocery 1 from the standby facility>>

Restaurant/Grocery 2	
Address	

Phone Number	
---------------------	--

<<Map of Restaurant/Grocery 2's Location>>
<<Directions to get to Restaurant/Grocery 2 from the standby facility>>

Restaurant/Grocery 3	
Address	
Phone Number	

<<Map of Restaurant/Grocery 3's Location>>
<<Directions to get to Restaurant/Grocery 3 from the standby facility>>

Catering

Caterer 1	
Address	
Phone Number	

<<Map of Caterer 1's Location>>
<<Directions to get to Caterer 1 from the standby facility>>

Caterer 2	
Address	
Phone Number	

<<Map of Caterer 2's Location>>
<<Directions to get to Caterer 2 from the standby facility>>

Standby Facility Maintenance

Maintenance Company	
Address	
Phone Number	

Data and Backups

This section explains where all of the organization's data resides as well as where it is backed up to. Use this information to locate and restore data in the event of a disaster.

Data in Order of Criticality

Rank	Data	Data Type	Back-up Frequency	Backup Location(s)
1	Documents and Files	Confidential, sensitive, personnel information, City business	Nightly incremental backup with revisions. Daily replication off site.	Data is backed up to Synology Backup Appliance using Veeam Enterprise Software. The data is saved to the Fire Dept Server Room.
2	Financial	Payroll, budgets, city finances	Nightly full backup with revisions. Daily replication offsite.	Data is backed up to Synology Backup Appliance using Veeam Enterprise Software. The data is saved to the Fire Dept Server Room.
3	Email	Confidential, sensitive, personnel information, City business	Nightly full backup with revisions. Daily replication offsite.	Data is backed up to Synology Backup Appliance using Veeam Enterprise Software. The data is saved to the Fire Dept Server Room.

Communicating During a Disaster

In the event of a disaster City of Morro Bay will need to communicate with various parties to inform them of the effects on the business, surrounding areas and timelines. The Communications Team will be responsible for contacting all of City of Morro Bay’s stakeholders.

Communicating with the Authorities

The Communications Team’s first priority will be to ensure that the appropriate authorities have been notified of the disaster, providing the following information:

- The location of the disaster
- The nature of the disaster
- The magnitude of the disaster
- The impact of the disaster
- Assistance required in overcoming the disaster
- Anticipated timelines

Authorities Contacts

Authorities	Point of Contact	Phone Number	E-mail
Police Department			
Fire Department			

Communicating with Employees

The Communications Team’s second priority will be to ensure that the entire company has been notified of the disaster. The best and/or most practical means of contacting all of the employees will be used with preference on the following methods (in order):

- E-mail (via corporate e-mail where that system still functions)
- E-mail (via non-corporate or personal e-mail)
- Telephone to employee home phone number
- Telephone to employee mobile phone number

The employees will need to be informed of the following:

- Whether it is safe for them to come into the office
- Where they should go if they cannot come into the office
- Which services are still available to them
- Work expectations of them during the disaster

Employee Contacts

Name	Role/Title	Home Phone Number	Mobile Phone Number	Personal E-mail Address

Communicating with Clients

After all of the organization’s employees have been informed of the disaster, the Communications Team will be responsible for informing clients of the disaster and the impact that it will have on the following:

- Anticipated impact on service offerings
- Anticipated impact on delivery schedules
- Anticipated impact on security of client information
- Anticipated timelines

Crucial clients will be made aware of the disaster situation first. Crucial clients will be E-mailed first then called after to ensure that the message has been delivered. All other clients will be contacted only after all crucial clients have been contacted.

Crucial Clients

Company Name	Point of Contact	Phone Number	E-mail

Secondary Clients

Company Name	Point of Contact	Phone Number	E-mail

Communicating with Vendors

After all of the organization’s employees have been informed of the disaster, the Communications Team will be responsible for informing vendors of the disaster and the impact that it will have on the following:

- Adjustments to service requirements
- Adjustments to delivery locations
- Adjustments to contact information
- Anticipated timelines

Crucial vendors will be made aware of the disaster situation first. Crucial vendors will be E-mailed first then called after to ensure that the message has been delivered. All other vendors will be contacted only after all crucial vendors have been contacted.

Vendors encompass those organizations that provide everyday services to the enterprise, but also the hardware and software companies that supply the IT department. The Communications Team will act as a go-between between the DR Team leads and vendor contacts should additional IT infrastructure be required.

Crucial Vendors

Company Name	Point of Contact	Phone Number	E-mail

Secondary Vendors

Company Name	Point of Contact	Phone Number	E-mail

Communicating with the Media

After all of the organization’s employees have been informed of the disaster, the Communications Team will be responsible for informing media outlets of the disaster, providing the following information:

- An official statement regarding the disaster
- The magnitude of the disaster
- The impact of the disaster
- Anticipated timelines

Media Contacts

Company Name	Point of Contact	Phone Number	E-mail

Communicating with Other group/stakeholders

City Council Members

Other Contacts

Company Name	Point of Contact	Phone Number	E-mail

Dealing with a Disaster

If a disaster occurs in City of Morro Bay, the first priority is to ensure that all employees are safe and accounted for. After this, steps must be taken to mitigate any further damage to the facility and to reduce the impact of the disaster to the organization.

Regardless of the category that the disaster falls into, dealing with a disaster can be broken down into the following steps:

- 1) Disaster identification and declaration
- 2) DRP activation
- 3) Communicating the disaster
- 4) Assessment of current and prevention of further damage
- 5) Standby facility activation
- 6) Establish IT operations
- 7) Repair and rebuilding of primary facility

Disaster Identification and Declaration

Since it is almost impossible to predict when and how a disaster might occur, The City of Morro Bay must be prepared to find out about disasters from a variety of possible avenues. These can include:

- First hand observation
- System Alarms and Network Monitors
- Environmental and Security Alarms in the Primary Facility
- Security staff
- Facilities staff
- End users
- 3rd Party Vendors
- Media reports

Once the Disaster Recovery Lead has determined that a disaster had occurred, s/he must officially declare that the company is in an official state of disaster. It is during this phase that the Disaster Recovery Lead must ensure that anyone that was in the primary facility at the time of the disaster has been accounted for and evacuated to safety according to the company's Evacuation Policy.

While employees are being brought to safety, the Disaster Recovery Lead will instruct the Communications Team to begin contacting the Authorities and all employees not at the impacted facility that a disaster has occurred.

DRP Activation

Once the Disaster Recovery Lead has formally declared that a disaster has occurred s/he will initiate the activation of the DRP by triggering the Disaster Recovery Call Tree. The following information will be provided in the calls that the Disaster Recovery Lead makes and should be passed during subsequent calls:

- That a disaster has occurred
- The nature of the disaster (if known)
- The initial estimation of the magnitude of the disaster (if known)
- The initial estimation of the impact of the disaster (if known)
- The initial estimation of the expected duration of the disaster (if known)
- Actions that have been taken to this point
- Actions that are to be taken prior to the meeting of Disaster Recovery Team Leads
- Scheduled meeting place for the meeting of Disaster Recovery Team Leads
- Scheduled meeting time for the meeting of Disaster Recovery Team Leads
- Any other pertinent information

If the Disaster Recovery Lead is unavailable to trigger the Disaster Recovery Call Tree, that responsibility shall fall to the Disaster Management Team Lead

Communicating the Disaster

Refer to the "Communicating During a Disaster" section of this document.

Assessment of Current and Prevention of Further Damage

Before any employees from City of Morro Bay can enter the primary facility after a disaster, appropriate authorities must first ensure that the premises are safe to enter.

The first team that will be allowed to examine the primary facilities once it has been deemed safe to do so will be the Facilities Team. Once the Facilities Team has completed an examination of the building and submitted its report to the Disaster Recovery Lead, the Disaster Management, Networks, Servers, and Operations Teams will be allowed to examine the building. All teams will be required to create an initial report **on the damage and provide this to the Disaster Recovery Lead within 4 hours of the initial disaster.**

During each team's review of their relevant areas, they must assess any areas where further damage can be prevented and take the necessary means to protect City of Morro Bay's assets. Any necessary repairs or preventative measures must be taken to protect the facilities; these costs must first be approved by the Disaster Recovery Team Lead.

Standby Facility Activation

The Standby Facility will be formally activated when the Disaster Recovery Lead determines that the nature of the disaster is such that the primary facility is no longer sufficiently functional or operational to sustain normal business operations.

Once this determination has been made, the Facilities Team will be commissioned to bring the Standby Facility to functional status after which the Disaster Recovery Lead will convene a meeting of the various Disaster Recovery Team Leads at the Standby Facility to assess next steps. These next steps will include:

1. Determination of impacted systems
2. Criticality ranking of impacted systems
3. Recovery measures required for high criticality systems
4. Assignment of responsibilities for high criticality systems
5. Schedule for recovery of high criticality systems
6. Recovery measures required for medium criticality systems
7. Assignment of responsibilities for medium criticality systems
8. Schedule for recovery of medium criticality systems
9. Recovery measures required for low criticality systems
10. Assignment of responsibilities for recovery of low criticality systems
11. Schedule for recovery of low criticality systems
12. Determination of facilities tasks outstanding/required at Standby Facility
13. Determination of operations tasks outstanding/required at Standby Facility
14. Determination of communications tasks outstanding/required at Standby Facility
15. Determination of facilities tasks outstanding/required at Primary Facility
16. Determination of other tasks outstanding/required at Primary Facility
17. Determination of further actions to be taken

During Standby Facility activation, the Facilities, Networks, Servers, Applications, and Operations teams will need to ensure that their responsibilities, as described in the “Disaster Recovery Teams and Responsibilities” section of this document are carried out quickly and efficiently so as not to negatively impact the other teams.

Restoring IT Functionality

Refer to the “Restoring IT Functionality” section of this document.

Repair & Rebuilding of Primary Facility

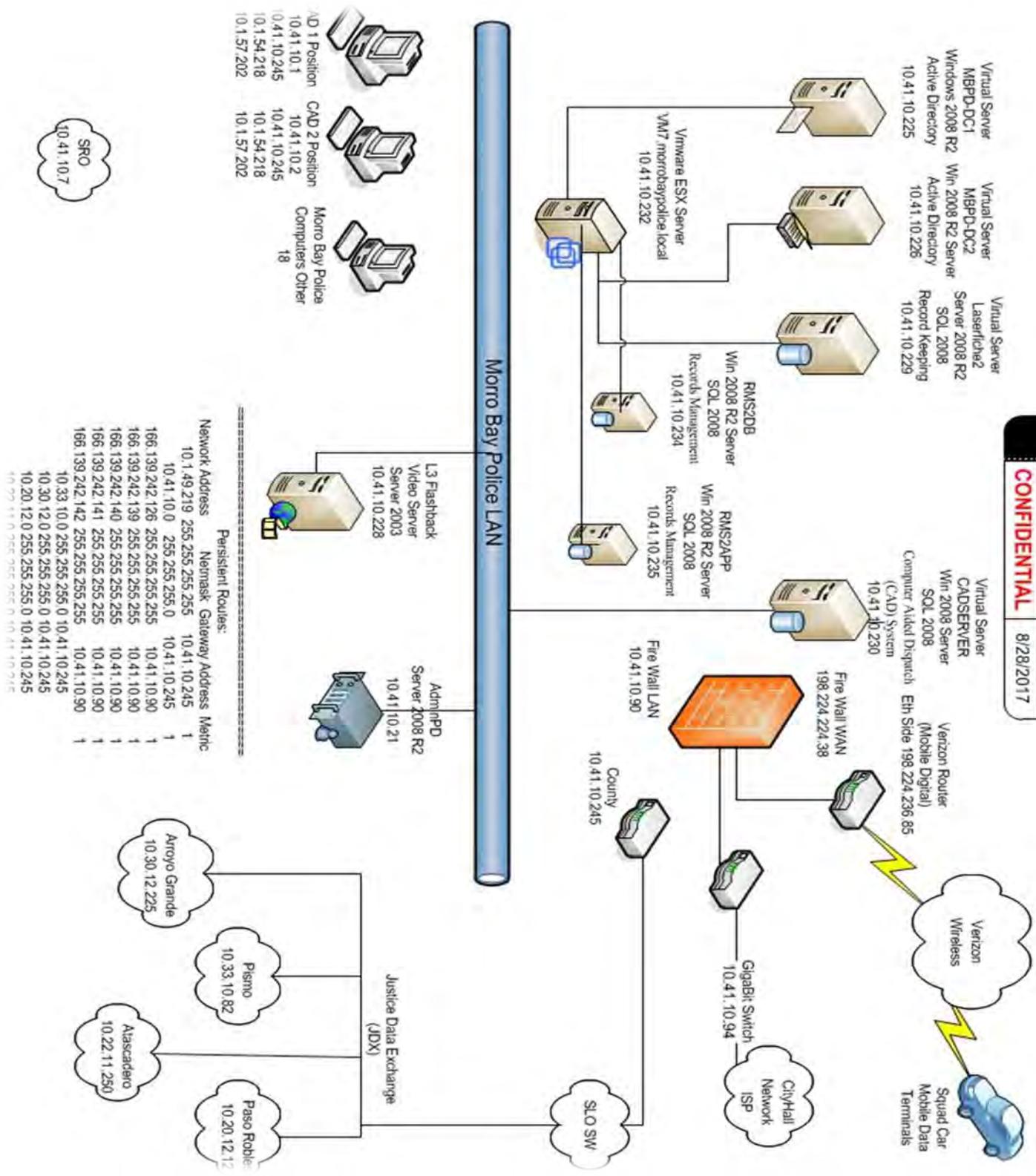
Before the enterprise can return operations to Primary Facilities, those facilities must be returned to an operable condition. The tasks required to achieve that will be variable depending on the magnitude and severity of the damage. Specific tasks will be determined and assigned only after the damage to Primary Facilities has been assessed.

Other Organization Specific Steps Required

Restoring IT Functionality

Should a disaster actually occur and City of Morro Bay needs to exercise this plan, this section will be referred to frequently as it will contain all of the information that describes the manner in which City of Morro Bay's information system will be recovered.

Morro Bay PD
CONFIDENTIAL 8/28/2017



Rank	IT System	System Components (In order of importance)
1	Blade Servers – Virtual Servers	
2	Data Storage Area Network	
3	Backup Server	
4	Internet Access	
5	Firewalls	
6	Switches & Routers	

Criticality Rank-One System

In this section you will be required to rank each system’s components in order of criticality, supplying the information that each system will require to bring it back online. First, vendor and model information, serial numbers and other component specific information will be gathered. Next, you will be required to attach each component’s runbooks or Standard Operating Procedure (SOP) documents.

Each component must have a runbook or SOP document associated with it. If you do not have these documents for all components, please refer to the following Info-Tech Research Group notes for more information:

- SOP Research:
 - [SOP 101: Standard Operating Procedures](#)
 - [How to Write an SOP](#)
 - [How to Implement SOPs](#)
 - [Step-by-Step SOP Template](#)
 - [Hierarchical SOP Template](#)
 - [Flowchart SOP Template](#)
- Runbooks Research:
 - [Don't Run without Runbooks](#)
 - [Free IT Staff Time: Implement Runbook Automation](#)
 - [How to Start Building Runbooks](#)

EXAMPLE:

System Name	<<State the name of the IT System here>>
Component Name	<<State the name of the specific IT Component here>>
Vendor Name	<<State the name of the IT Component’s vendor here>>
Model Number	<<State the name of the IT Component’s model number here>>
Serial Number	<<State the name of the IT Component’s serial number here>>
Recovery Time Objective	<<State the IT Component’s Recovery Time Objective here>>
Recovery Point Objective	<<State the IT Component’s Recovery Point Objective here>>

Title: Standard Operating Procedures for <<Component Name>>
Document No.: <<Number of the SOP document>>

Security Level: << Public, Restricted, or Departmental (the specific department is named).>>		Effective Date: <<The date from which the SOP is to be implemented and followed>>
SOP Author/Owner:	SOP Approver:	Review Date: <<The date on which the SOP must be submitted for review and revision>>

a) Purpose

This SOP outlines the steps required to restore operations of <<IT System Name>>.

b) Scope

This SOP applies to the following components of <<IT System Name>>:

- Edit this list to include all included components of the system in question
 - *Web server*
 - *Web server software*
 - *Application server*
 - *Application server storage system*
 - *Application server software*
 - *Application server backup*
 - *Database server*
 - *Database server storage system*
 - *Database server software*
 - *Database server backup*
 - *Client hardware*
 - *Client software*

c) Responsibilities

The following individuals are responsible for this SOP and for all aspects of the system to which this SOP pertains:

- Edit this list as required
 - *SOP Process:* << SOP Owner>>
 - *Network Connectivity:* <<Appropriate Network Administrator>>
 - *Server Hardware:* <<Appropriate Systems Administrator>>
 - *Server Software:* <<Appropriate Application Administrator>>
 - *Client Connectivity:* <<Appropriate Network Administrator>>
 - *Client Hardware:* <<Appropriate Helpdesk Administrator>>
 - *Client Software:* <<Appropriate Helpdesk Administrator>>

For details of the actual tasks associated with these responsibilities, refer to section h) of this SOP.

d) Definitions

This section defines acronyms and words not in common use:

- Edit this list as required
- *Document No.*: Number of the SOP document as defined by [insert numbering scheme]
- *Effective Date*: The date from which the SOP is to be implemented and followed
- *Review Date*: The date on which the SOP must be submitted for review and revision
- *Security Level*: Levels of security are categorized as Public, Restricted, or Departmental
- *SOP*: Standard Operating Procedure

e) Changes Since Last Revision

- Add to this list as required
- << Nature of change, date of change, individual making the change, individual authorizing the change>>

f) Documents/Resources Needed for this SOP

The following documents are required for this SOP:

- Add to this list as required
- *Document*

g) Related Documents

The following documents are related to this SOP and may be useful in the event of an emergency. Their documents below are hyperlinked to their original locations and copies are also attached in the appendix of this document:

- Add to this list as required
- *Document*

h) Procedure

The following are the steps associated with bringing <<Component Name>> back online in the event of a disaster or system failure.

Step	Action	Responsibility
1	<<Step 1 Action>>	<<Person/group responsible>>
2		
3		
4		
5		
6		
7		
8		

Criticality Rank-Two System

Repeat as above for as many systems as the enterprise makes use of.

Plan Testing & Maintenance

While efforts will be made initially to construct this DRP in as complete and accurate a manner as possible, it is essentially impossible to address all possible problems at any one time. Additionally, over time the Disaster Recovery needs of the enterprise will change. As a result of these two factors this plan will need to be tested on a periodic basis to discover errors and omissions and will need to be maintained to address them.

Maintenance

The DRP will be updated <<indicate frequency>> or any time a major system update or upgrade is performed, whichever is more often. The Disaster Recovery Lead will be responsible for updating the entire document, and so is permitted to request information and updates from other employees and departments within the organization in order to complete this task.

Maintenance of the plan will include (but is not limited to) the following:

1. Ensuring that call trees are up to date
2. Ensuring that all team lists are up to date
3. Reviewing the plan to ensure that all of the instructions are still relevant to the organization
4. Making any major changes and revisions in the plan to reflect organizational shifts, changes and goals
5. Ensuring that the plan meets any requirements specified in new laws
6. Other organizational specific maintenance goals

During the Maintenance periods, any changes to the Disaster Recovery Teams must be accounted for. If any member of a Disaster Recovery Team no longer works with the company, it is the responsibility of the Disaster Recovery Lead to appoint a new team member.

Testing

City of Morro Bay is committed to ensuring that this DRP is functional. The DRP should be tested every <<indicate frequency>> in order to ensure that it is still effective. Testing the plan will be carried out as follows:

- 1) **Walkthroughs-** Team members verbally go through the specific steps as documented in the plan to confirm effectiveness, identify gaps, bottlenecks or other weaknesses. This test provides the opportunity to review a plan with a larger subset of people, allowing the DRP project manager to draw upon a correspondingly increased pool of knowledge and experiences. Staff should be familiar with procedures, equipment, and offsite facilities (if required).
- 2) **Simulations-** A disaster is simulated so normal operations will not be interrupted. Hardware, software, personnel, communications, procedures, supplies and forms, documentation, transportation, utilities, and alternate site processing should be thoroughly tested in a simulation test. However, validated checklists can provide a reasonable level of assurance for many of these scenarios. Analyze the output of the previous tests carefully before the proposed simulation to ensure the lessons learned during the previous phases of the cycle have been applied.
- 3) **Parallel Testing-** A parallel test can be performed in conjunction with the checklist test or simulation test. Under this scenario, historical transactions, such as the prior business day's transactions are processed against preceding day's backup files at the contingency processing site or hot site. All reports produced at the alternate site for the current business date should agree with those reports produced at the alternate processing site.
- 4) **Full-Interruption Testing-** A full-interruption test activates the total DRP. The test is likely to be costly and could disrupt normal operations, and therefore should be approached with caution. The importance of due diligence with respect to previous DRP phases cannot be overstated.

Any gaps in the DRP that are discovered during the testing phase will be addressed by the Disaster Recovery Lead as well as any resources that he/she will require.

Call Tree Testing

Call Trees are a major part of the DRP and the City of Morro Bay requires that it is tested every <<Enter time frame here>> in order to ensure that it is functional.

Tests will be performed as follows:

- 1) Disaster Recovery Lead initiates call tree and gives the first round of employees called a code word.
- 2) The code word is passed from one caller to the next.
- 3) The next work day all Disaster Recovery Team members are asked for the code word.
- 4) Any issues with the call tree, contact information etc. will then be addressed accordingly.

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RESOLUTION NO. 59-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE CITY OF MORRO BAY'S ACCOUNTING AND FINANCIAL REPORTING
POLICIES RELATED TO CAPITAL ASSETS**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay wishes to establish Financial policies to direct staff and provide transparency to the Council and Community; and

WHEREAS, those policies include a policy regarding Capital Asset recording; and

WHEREAS, staff recommends the City Council adopt the proposed Capital Assets Policy, which demonstrates the City's commitment to fiscal responsibility and prudent management and is consistent with Government Accounting Standards.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the "Capital Assets Policy," as set forth in Exhibit A, attached hereto and incorporated herein, is hereby approved.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of June 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



COUNCIL POLICY

CAPITAL ASSETS POLICY

Policy Statement

The City of Morro Bay (City) is a full-service City, providing essential services to over 10,000 residents related to public safety, planning, building, public works and recreation. In addition, the City has a vibrant tourism industry, attracting thousands of visitors annually, all of whom utilize city services in some fashion. As such, it is prudent for the City to establish sound financial management policies that conform with generally accepted accounting principles and state regulations. Government Accounting Standards Board (GASB) statement 34 defines capital assets.

Purpose

The City will maintain a capital asset management system that will meet external financial reporting requirements and the needs of the City in line with these policies.

Capital assets are recorded as expenditures in governmental funds at the time the assets are received, and the liability is incurred. These assets will be capitalized at cost on the government wide financial statements.

Note: Governmental Accounting Standards Board Statement No. 34 (GASB 34) changed Generally Accepted Accounting Principles (GAAP) for capital assets reporting for governmental funds. Beginning in fiscal year ending June 30, 2004, pursuant to GASB 34, the General Fixed Asset Account Group will be eliminated and the City will report these assets by function and activity on the government-wide financial statements.

Per GASB 34:

Capital Assets are defined as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Infrastructure Assets are defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems. Buildings that are an ancillary part of a network of infrastructure assets are included.

The City's Capital Assets Policy follows the recommended practices of the GFOA (Government Finance Officers Association) and the accounting standards of GASB 34.

Capitalization Policy

Generally, the capitalization threshold for capital assets will be an original cost of \$5,000 or more (recorded as an asset on the balance sheet versus expensing the item). Specific capitalization requirements are described as follows:

- a. All land and art will be capitalized regardless of cost.
- b. Buildings, land improvements and infrastructure will be recorded if cost exceeds \$25,000.
- c. Infrastructure will be recorded on a prospective basis only, beginning with fiscal year 2018-19.
- d. All other assets must cost \$5,000 or more and have a useful life of two (2) or more years.
- e. The capitalization threshold is applied to individual units of capital assets rather than groups. For example, ten desks purchased for \$1,000 each will not be capitalized even though the total (\$10,000) exceeds the threshold of \$5,000.
- f. For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single asset. The capitalization threshold will be applied to a network if all component parts are required to make the asset functional.
- g. Repairs to existing capital assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case the repair represents an improvement and is subject to the requirements described in item "h" below.
- h. Improvements to existing capital assets will be presumed by definition to extend the useful life of the related capital asset and therefore will be subject to capitalization if the cost exceeds \$5,000.

As a result of the above capitalization policies, the following infrastructure items will not be capitalized: street trees, street signs. Additionally, the following capital equipment will also not be capitalized: personal computers, handheld radios, telephones.

Leased Assets

Operating leased assets are usually short term and cancelable at any time. The recording of an operating lease as a fixed asset is not required because the item is not purchased.

However, operating leases will be capitalized if one or more of the following criteria are met and the chance of cancellation is low:

- a. Ownership is transferred by the end of the lease term
- b. The lease contains a bargain purchase option
- c. The lease term is greater than or equal to 75 percent of the asset's service life
- d. The present value of the minimum lease payment is greater than or equal to ninety percent (90%) of the fair market value of the asset at the inception of the lease.

Capital lease items are capitalized at the beginning of the lease period, regardless of when the title transfers. Capital leases are recorded at net present value of lease payments.

Special studies

If a special study or evaluation is budgeted for as a Capital Project and completed in a fiscal year, it will not be capitalized at year end nor added to the fixed asset inventory listing, unless a major capital asset addition is acquired as a result. If so the cost of the study will be added in the same fiscal year as the fixed asset addition. Examples of a study not capitalized is the ADA Transition Plan and the Short Range Transit Plan.

Construction In Progress

For projects that require multiple fiscal years to complete, the capital expenditures for the current fiscal year will be categorized as Construction In Progress on the general ledger and Fixed Asset Listing and no depreciation will be taken, until the project is finalized. Depreciation expense will start as of the date placed into service.

Capital Asset Recording

The City will keep appropriate records in order to monitor and accurately inventory all fixed assets.

Measuring the Cost and/or Value

Capital assets are recorded at their "historical cost," which is the original cost of the assets. Donations accepted by the City will be valued at the fair market value at the time of donation. Costs include purchase price (less discounts) and any other reasonable and necessary costs incurred to place the asset in its intended location and prepare it for service. Costs could include the following:

- Sales Tax
- Freight Charges
- Legal and title fees
- Closing costs
- Appraisal and negotiation fees
- Surveying fees
- Land-preparation costs
- Demolition costs
- Relocation costs
- Architect and accounting fees
- Insurance premiums and interest costs during construction.
- Emergency/Safety Equipment, Light Bars, and Signage added to vehicles

According to GASB 34, an estimate of the original cost is allowable in the absence of historical records. Standard costing is one method of estimating historical cost using a known average installed cost for a like unit at the estimated date of acquisition. Another recognized method is normal costing wherein an estimate of historical cost is based on current cost of reproduction new, indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date acquired. When necessary the City will use whichever method gives the most reasonable amount based on available information.

Recording Costs Incurred After Acquisition

Expenditures/expenses for replacing a component part of an asset are not capitalized. However, expenditures/expenses that either enhance a capital asset's functionality (effectiveness or efficiency), or that extend a capital asset's expected useful life are capitalized. For example, periodically slurry sealing a street would be treated as a repair (the cost would not be capitalized), while an overlay or reconstruction would be capitalized. Adding a new lane constitutes an addition and would therefore also be capitalized.

Disposition or Retirement of Capital Assets

It is the City's policy that disposition of surplus, damaged or inoperative equipment will be at the discretion of the City Manager, who will make all efforts to sell, donate or recycle such items. The asset will be removed from the inventory of fixed assets as of the date of sale. Proceeds from the sale will be recorded as revenue to the benefit of the fund/department where the asset was used, or specifically designated at the discretion of the City Manager.

Depreciation

The City will record depreciation expense on all capital assets, except for land and art. The City will use straight-line depreciation using the prorated months remaining in the fiscal year convention. As an example, depreciation will be calculated for 8 months in the year of acquisition if placed in service during October and for 4 months in the year of disposition. Depreciation will be calculated over the estimated useful life of the asset.

Recommended Lives

The City follows GFOA Recommended Practices when establishing recommended lives for capitalizable assets. If the life of a particular asset is estimated to be different than these guidelines, it may be changed. Following is a summary of the estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	20 years
Building Improvements	20 years
Improvements other than Buildings	5 to 20 years
Infrastructure	50 to 75 years
Equipment and Machinery	5 to 20 years

Control of Assets

The City will exercise control over the noncapitalized tangible capital-type items by establishing and maintaining adequate control procedures. The City's capitalization threshold of \$5,000 meets financial reporting needs.

Works of Art and Historical Treasures

GASB 34 encourages but does not require the capitalization of art that meets all of the following conditions:

- Held for public exhibition, education, or research in furtherance of public service, rather than financial gain
- Protected, kept unencumbered, cared for, and preserved
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections

It is the City's policy that proceeds from the sale of art be used to acquire other works of art. That being the case, the City's works of art and historical treasures will not be capitalized.

Inventorying

The City will perform a physical inventory of its capitalized assets, either simultaneously or on a rotating basis, so that all capital assets are physically accounted for at least once every five years.

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RESOLUTION NO. 60-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE CITY OF MORRO BAY'S ACCOUNTING AND FINANCIAL REPORTING
POLICIES RELATED TO CITY CREDIT CARDS, TRAVEL, REIMBURSEMENT, AND CASH
ADVANCE POLICIES**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay wishes to establish Financial policies to direct staff and provide transparency to the Council and Community; and

WHEREAS, those policies include a policy regarding City issued Credit Cards, travel, reimbursement for City-related expenditures and the need for cash advance of City funds; and

WHEREAS, staff recommends the City Council adopt the proposed Credit Card, Travel, Reimbursement and Cash Advance Policies, which demonstrate the City's commitment to fiscal responsibility and prudent management and is consistent with Government Accounting Standards.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the following policies, attached hereto and incorporated herein, are hereby approved:

1. "Credit Card Policy," as set forth in Exhibit A,
2. "Travel Policy," as set forth in Exhibit B,
3. "Reimbursement Policy," as set forth in Exhibit C, and
4. "Cash Advance Policy," as set forth in Exhibit D

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25^h day of June 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



COUNCIL POLICY

Credit Card Policy and Procedure

Policy Statement

The City of Morro Bay (City) is a full-service City, providing essential services to over 10,000 residents related to public safety, planning, building, public works and recreation. In addition, the City has a vibrant tourism industry, attracting thousands of visitors annually, all of whom utilize city services in some fashion. As such, it is prudent for the City to establish sound financial management policies that conform with generally accepted accounting principles, state regulations and protects the City of Morro Bay's citizens assets.

Purpose

These guidelines establish the City's basic policies and procedures for using credit cards in making minor supply and service purchases on behalf of the City and paying for travel expenses when on City business. City credit cards are for official business use only. Charging personal expenses, even if the intent is to reimburse the City later is prohibited. Doing so may result in disciplinary action.

Objective

By using credit cards instead of other payment options, we hope to:

- ◆ Reduce procurement and payment processing costs
- ◆ Enhance internal control by better identifying specific employees making minor supply and service purchases on behalf of the City and improving the accuracy of account distributions between departments and projects.
- ◆ Take advantage of cost-saving opportunities by purchasing on the Internet and through catalogs.

Policy

- ◆ Finance will issue City credit cards to regular employees as approved by the department head. Department heads will set credit limits up to \$3,000.00. The Director of Finance may approve credit limits in excess of this amount.
- ◆ Credit card should never be used to circumvent established competitive purchasing procedures. This means no purchases for goods or services should be made in excess of \$3,000.00 that would otherwise require competitive bidding.

- ◆ Credit cards may be used in paying for travel expenses. However, the City's Travel Guidelines still apply to all such credit card payments, including the use of Travel Authorizations and per diem amounts.
- ◆ Alcohol is not a permitted purchase with use of City funds and as such, a City credit card may not be used to purchase alcohol of any kind.
- ◆ Employees will not use City credit cards for personal expenses even if the intent is to reimburse the City later. Charging personal expenses on City cards is a misuse of City funds and a serious breach of the City's ethics policy. Doing so—even if the intent is to reimburse the City later—may result in disciplinary action, up to and including termination.

Note: Including minor incidental expenses as a component part of a larger billing—such as personal telephone calls or video rental on a hotel bill—is allowed if reimbursed at the time the credit card billing is submitted for payment.

PROCEDURES

Requesting Credit Cards. Department heads should submit credit card requests to Finance (via memorandum or email) to approve cardholders.

Criteria. Credit cards will only be issued to regular employees. Department heads should consider the following factors in approving credit cards for their staff.

Ability to hold the employee accountable for purchases made on the card.

Recognition that delegating authority to an employee to purchase via credit card is not conceptually different from delegating authority to them to purchase from an open contract on a vendor account. In fact, by issuing cards to named holders, accountability is enhanced. In this context, departments should consider issuing cards in the same manner that they would consider authorizing employees to use open vendor accounts. On the other hand, there is much greater potential in the breadth-of-use of credit card: employees can use them with more than just a few vendors. Department heads should also consider this added discretion and increased potential for abuse in approving credit card holders.

Frequency of use, diversity of vendors and dollar value of purchases made by the employee.

Cardholder Agreement. Before receiving a credit card, employees will sign a "credit cardholder use Agreement" (Exhibit A) setting forth their obligations under this program.

Timely Payment. Department heads are responsible for ensuring that each credit card statement (along with appropriate supporting documentation reconciled to the statement) is submitted to Finance for payment in a timely manner. Based on the statement cycle date, Finance will establish specific monthly payment schedules for credit card statements. To avoid posting errors, administrative charges and late fees, Finance will pay all credit card charges based on the "master account" on a timely basis, even if supporting documentation is not yet received from the operating departments. When subsequently received, the supporting documentation will be retroactively reconciled to the payment. Instances where this occurs should be very rare and due to extenuating circumstances. Accounting staff will notify the Director of Finance of any such instances of late or inaccurate payment submittals. After reviewing the circumstances, the Director of Finance will recommend to the department head appropriate follow-up action, including cancellation of card privileges and disciplinary action.

Disputed Charges. Cardholders are responsible for ensuring that the vendor and issuing bank are notified immediately of any disputed charges. Standard forms (provided by the issuing bank) are available from Finance for this purpose. Departments should pay the statement in full—including any disputed amounts—to avoid finance charges and late fees; when resolved, this will result in a credit to the account on the next monthly statement.

Standard Process for Payment. The City's standard accounts payable system will be used in processing monthly credit card statement for payment. Each credit card charge should be listed separately on the credit card payment voucher, and account numbers, purchase descriptions and amounts referenced as appropriate. Supporting documentation for credit card payments should be the same as for any other accounts payable item. This means that original invoices (or receipts) along with credit card receipts must be retained, reconciled to the credit card statement and attached to the credit card payment voucher. Sales/Use Tax at the local rate should added by the purchaser to the supporting documentation and coded with the correct account number for purchases made from "out of state" vendors or from internet sites that do not charge sales tax at time of sale.

Lost or Stolen Cards. Cardholders are responsible for ensuring that the issuing bank and the Finance Department are notified immediately if the card is lost or stolen. Standard forms (provided by the issuing bank) are available from Finance for this purpose. Failure to do so may result in making the cardholder responsible for any fraudulent use of the card.

Disciplinary Action. Department heads are responsible for all disciplinary action surrounding misuse of cards, including requesting cancellation of card privileges.

Return of the Card Upon Request or Termination. Cardholders will immediately surrender their card upon request of their department head. Personnel is responsible for retrieving the credit card when an employee separates from the City. Use of the credit card for any purpose after its surrender is prohibited.

RESPONSIBILITIES

Cardholders. Purchase supplies and services on behalf of the City in accordance with these guidelines.

Department Heads. Authorize issuance of credit cards and set credit limits; develop and implement departmental procedures to ensure that payments are appropriately reviewed and approved, processed in a timely manner and that all supporting documentation is retained, reconciled to monthly statements and attached to payment vouchers; and oversee implementation of these guidelines.

Finance. Establish "master account" relationship with issuing bank; issue credit cards as requested by department heads in accordance with these guidelines; process credit card payment vouchers in accordance with the City's accounts payable policies and procedures; ensure that the monthly "master account" is paid in full on a timely basis; develop guidelines for departmental payment procedures; help resolve billing disputes; and replace lost or stolen cards.

Human Resources. Retrieve credit card from employees separating from the City.

SUMMARY

These guidelines cannot cover every issue, exception or contingency that may arise in using City credit cards. Accordingly, the basis standard that should always prevail is to use common sense and good judgment in the use and stewardship of City resources.



City of Morro Bay

Administrative Directive No. AD2015-02

Subject: Travel Policy

Date Approved: 11/17/2015

Approved by: David Buckingham, City Manager

ADMINISTRATIVE DIRECTIVE
Travel Policy

I. GENERAL

A. PURPOSE

This policy applies to all City of Morro Bay employees ("Travelers"), and is intended to establish uniform procedures by which Travelers shall report and be reimbursed for expenses incurred in connection with authorized travel on behalf of the City.

This policy provides for economical and efficient travel in order to derive the greatest benefit from the trip at the most effective cost. It does not allow Travelers to be financially enriched as a result of travel nor be required to utilize their own funds as a result of City travel. Travelers are responsible for exercising good judgment in requesting, arranging and fulfilling a travel request to mitigate costs to the City.

B. GENERAL PROVISIONS

1. Travel will be authorized only when necessary, and in the best interests of the City as approved in accordance with the following:
 - a. Department Directors will authorize and sign off on subordinate travel; and
 - b. City Manager will authorize Department Head travel.
 - c. City Manager travel shall be in accordance with the City Manager's employment contract or otherwise approved by the City Council.
2. All travel is subject to the availability of funds for travel.
3. Travel must be authorized one week in advance of travel date; exceptions may be granted based on circumstances.
4. Travel advances must be requested in sufficient time to follow the attached accounts payable check processing deadlines and printing dates; exceptions may be granted on a case-by-case basis.
5. The City will pay for the costs incurred by Travelers, subject to review. Additional costs associated with companions are the responsibility of Travelers.
6. Department Directors and/or City Manager are responsible for making the determination that the travel is necessary, and that the benefit for which the travel is requested cannot be achieved through the Internet, telephone or other means, so as to eliminate the necessity for travel, while still accomplishing the benefit to the City.
7. All travel is to be authorized in advance of the date of travel by the City Manager and/or Department Director, and further authorized by the City Manager, as required by this policy. All approvals shall be in writing.

8. The most economical means of transportation will be used, unless unusual circumstances require more costly alternatives. City-owned vehicles are to be used, unless one is not available. Travelers should check with all departments for available City vehicles before using their own. Travelers should car pool, whenever possible, with other Travelers. Non-City employees, riding in City vehicles for personal reasons, are discussed in Section II C-1 below.
9. If Travelers choose to use their personal vehicles when City vehicles are available, that use must be approved by the Department Head and/or City Manager (see Travel Return Expense Report form) and only actual gas costs, with receipts, will be reimbursed.
10. If City vehicles are not available, and the travel is still deemed necessary, then use of a private vehicle may be authorized by the City Manager, or his/her designee, (or City Attorney, if involving the City Manager), and the IRS mileage rate (see www.gsa.gov) will be paid; proof of miles traveled is required by submitting beginning and ending odometer readings plus a destination mileage estimate (Internet mapping directions). Department Directors and/or City Manager, who have assigned vehicles or receive a car allowance, are discussed in Section II-C-4.
11. If the use of a City vehicle is not appropriate, due to a disability or other reason approved by the City Manager, or his/her designee (or the City Attorney, if involving the City Manager), and the travel is still deemed necessary, then the use of a private vehicle may be approved, as stated in B-10 above.
12. Any discounts should be taken advantage of, as possible.
13. For travel that requires an overnight stay, reimbursement will be for actual, reasonable and necessary expenses incurred while on City business, as defined below:
 - a. Travelers will be provided with a daily allowance based on the current Internal Revenue Service (IRS) guidelines at www.gsa.gov. Daily allowances are based on travel destination less any meals supplied by the travel destination organization.
 - b. Detailed receipts are required to substantiate spending; **any unused daily allowance is to be returned to the City.**
 - c. Travelers may use personal credit cards to pay for meals and incidentals, and request reimbursement by providing those detailed receipts. Travelers should not use City credit cards except for conference fees, hotel booking, and gasoline.
14. For travel without an overnight stay, **no reimbursement is provided for meals** per IRS regulations, unless Travelers attend breakfast, lunch or dinner meetings that are not otherwise paid for as part of that meeting attendance or provided gratis to attendees; include the name of the organization/group, participants in the meeting and purpose on the receipt (e.g., CSMFO, Susan Slayton, monthly lunch meeting). It is the responsibility of Travelers to pay for any alcoholic beverages consumed, entertainment expenses and/or any personal automobile expenses, including repairs, traffic citations, and insurance.
15. The City will not be responsible for any personal losses while Travelers are traveling on City business.
16. Out-of-state travel (lodging or meeting place) or means of transportation other than automobile, as identified in Section II-C-5, for any Travelers requires the prior approval of the City Manager, unless otherwise provided by law.
17. All Travel Return Expense Reports are to be completed within 5 days of travel completion, and reviewed/approved as follows:
 - a. City Manager travel report will be reviewed and approved by the City Attorney;
 - b. Department Director travel report will be reviewed and approved by the City Manager;

- c. All other travel reports will be reviewed initially by supervisors, and approved by the Department Director.
18. If travel receipts are not provided, then Travelers will not be reimbursed for the amount spent, and will be required to reimburse the City for unsubstantiated charges to a City credit card.
19. If a hotel charges for Internet service, then the charge will be reviewed by the Department Head and/or City Manager to determine the business-purpose use, which may be reimbursable.
20. Overnight stays for day training: an overnight stay for the night before and/or the evening after day training must be requested in advance, and will be considered on a case-by-case basis.

II. SPECIFIC EXPENSES

A. LODGING

1. Lodging expenses consist of those charges for overnight sleeping or dwelling accommodations for Travelers only as required while traveling on City business. Any additional costs associated with travel companions are to be paid for by the Travelers.
2. Lodging is an allowable expense for the evening preceding, and subsequent to, a meeting or business event with Department Director and/or City Manager approval, pursuant to I. B. 1., above.
3. Travelers are to request the least expensive rate when making reservations, or registering, at a hotel/motel.
4. Lodging amounts:
 - a. Must be pre-approved by the Department Director and/or City Manager, pursuant to I. B. 1., above, unless emergency circumstances exist, which must then be submitted to the Department Director and/or City Manager, as applicable, as soon as possible for approval;
 - b. Must be supported by a valid hotel/motel receipt that is attached to the Travel Return Expense Report; and
 - c. Will be reimbursed at the single occupancy rate only. If Travelers are traveling with a companion, then Travelers are responsible for the portion of the room rate that is in excess of the single occupancy rate.
6. Same sex Travelers are encouraged, but not required, to share a room where possible.

B. MEALS

1. Meal expenses shall be those charges for food and non-alcoholic beverages actually purchased and consumed by Travelers while on official City business.
2. Meal expenses incurred will be reimbursed on an actual cost basis, not to exceed the amount of daily allowance identified by the current IRS guidelines (see www.qsa.gov). If the cost of Travelers' daily meals exceeds the IRS daily allowance, then Travelers will be responsible for reimbursing the City for the difference.
3. Meal daily allowance will be provided based on the current IRS guidelines, and reduced to allow for any meals provided at the travel destination.
4. Meal daily allowance is not allocated to a specific meal; therefore, the entire amount may be used for breakfast, lunch or dinner, as Travelers desire, and in accordance with II. B. 1 definition of meal expenses and II. B – 3, provision/reduction of meal allowance.
5. Any unspent daily allowance is to be returned to the City along with the Travel Return Expense Report.

6. A maximum 15% gratuity may be included on meal expenditures; however, the traveler must not exceed the total meals daily allowance allotment.
7. Daily meal allowance will be prorated on days traveling to and from the destination as follows:

Breakfast 20% Lunch 30% Dinner 50%

The allowances are subject to the same conditions contained in II. B. 1. – B. 6.

C. TRANSPORTATION

1. Non-employees, accompanying Travelers for personal reasons (such as spouses, children, relatives), are not permitted to ride in a City-owned vehicle, unless exempted through MOU or employment contract. Actual cost of fuel will be reimbursed with receipts; IRS mileage rate reimbursement does not apply.
2. Use of personal vehicles for City travel requires Department Director and/or City Manager approval with the exception of Department Directors and City Manager as discussed below:
 - a) Department Directors and City Manager, who are paid a car allowance, are to use their personal vehicles for all travel within the San Luis Obispo County. No mileage or gasoline reimbursement will be paid for travel within the County.
 - b) Department Directors and City Manager may choose to use their personal vehicles for travel outside San Luis Obispo County, and will be paid the IRS mileage rate. Mileage reimbursement will be calculated from the point-of-exit from San Luis Obispo County to the destination and from the destination to the point-of-entry into San Luis Obispo County.
4. Department Directors and the City Manager, who are provided with a City vehicle, will use that vehicle for travel, and be reimbursed for self-paid gasoline expenses only. Receipts must be provided.
5. Airline, private aircraft, train, and watercraft modes-of-transportation require City Manager approval. Expenditures will be reimbursed as substantiated by receipts, subject to review.
6. Travelers are to avail themselves of existing hotel/motel van, taxi, or local mass transit services. Taxis and other local transportation may be employed as transportation to and from the airport, the hotel/motel and conference location. Taxi and other local transportation may be used for travel to restaurants as associated with the business purpose for the travel. Receipts must be provided for reimbursement. A maximum of 15% gratuity may be reimbursed.
7. Automobile rentals are to be approved by the Department Director, City Manager or City Attorney, only if other transportation methods are not available (e.g., hotel/motel van, taxi or local mass transit services).
 - a) Regarding use of personal vehicles and rental cars, please see the City's Vehicle Policy for guidelines and restrictions.
 - b) If renting a car, Traveler **MUST** purchase the Loss Damage Waiver, which covers damage to the rental car. The City's vehicle insurance **WILL NOT** cover any damage to a rental car. If Traveler fails to purchase the Loss Damage Waiver, then Traveler **WILL** be responsible for any and all costs to repair rental car damage.
8. Parking fees at the hotel/motel should be charged as part of the hotel/motel bill or will be reimbursed with a receipt. Conference Center parking fees will be reimbursed with a receipt. No valet parking will be reimbursed, unless it is the only option for parking.
9. Tolls paid will be reviewed and may be reimbursed.

D. OTHER BUSINESS EXPENSES

1. Business expenses are all expenses as a result of travel other than transportation, lodging and meals. Receipts must be provided for reimbursement. Exception is de minimis charges, such as parking meters.
2. Travelers will be reimbursed for actual and necessary business expenses; provided, that such expenses are directly related to the purpose of travel. Business expenses shall not include the cost of discretionary items intended for the personal benefit or pleasure of Travelers, such as magazine/book purchases, movies rentals, etc. Business expenses normally include, but are not limited to, expenditures for the following:
 - a.) Conference registration fees, if not paid with a separate claim;
 - b.) Telephone or Internet charges for official business - Internet charges will be reviewed by the Department Director and/or City Manager to determine the business-purpose use, which may be reimbursable;
 - c.) If an overnight stay is required, then a personal call may be made from the hotel to notify the Travelers' families of their safe arrival. Telephone calls should be limited to no more than five minutes. Subsequent calls are subject to review, and may not be reimbursed.
 - d.) Laundry/cleaning services, as a result of Travelers being on travel status for more than seven consecutive days. Receipts are required
 - e.) Reasonable gratuities (tips) to baggage handlers, porters and other service personnel will be reviewed and may be reimbursed. Gratuities for meal service should be included in the cost of meals claimed and should not exceed fifteen percent (15%) of the total bill.

III. REIMBURSEMENT CLAIMS, CREDIT CARDS, RESERVATION OR REGISTRATION AND EXPENSE ADVANCES

A. REIMBURSEMENT CLAIM

1. Claims for reimbursement of authorized travel expenses must be submitted on an approved City Travel Return Expense Report form.
2. All claims must be turned in for settlement within five days of the Travelers' return.
3. All claims must be signed by the traveling individual and approved by the Department Director and/or City Manager, as required by this policy.
4. Claims shall include:
 - a.) Name of Traveler;
 - b.) Name of conference, training, seminar, etc;
 - c.) Location of travel;
 - d.) Dates of travel;
 - e.) General ledger account number(s) to which travel expenses are to be charged;
 - f.) Expense identification, such as seminar, meals, airfare, etc.;
 - g.) Dollar amounts associated to all expenses, including charges on credit card;
 - h.) Additional information as requested on the Travel Return Expense Report form.
5. Receipts for all expenses are to be attached, including copies of receipts paid for with the Traveler's personal credit card.

B. CREDIT CARDS

1. Use of the City credit card is not encouraged. Travelers should request a travel advance.
2. Detailed receipts must be provided.

3. Travelers are to pay for expenses that are personal with their own personal credit cards.

C. RESERVATION/REGISTRATION AND EXPENSE ADVANCE

1. Reservation/Registration

- a.) Reservation and registration fees are a component of budgeted travel. Funds for travel are limited; therefore, it is important to remain within the original cost estimate of the scheduled travel.
- b.) Travelers' Department Director(s) and/or City Manager must approve registration fees for additional courses that were not a part of the original travel request. Unauthorized registration expenses may not be reimbursed.
- c.) Reservation and registration fees should be paid in advance to take advantage of any discounts (e.g., early registration).
- d.) Reservation and registration fees may be paid with either a City credit card or accounts payable check.
- e.) If Travelers are not able to pay in advance, then a credit card may be used to pay for conference and hotel registration.
- f.) Any costs paid for by Travelers as part of the approved travel may be reimbursed, subject to approval; receipts must be provided to request reimbursement.

2. Expense Advance

- a.) For travel with an overnight stay:
 - 1.) Travelers should request a travel advance for meals daily allowance, classes, hotel stays or other travel-related expenses.
 - 2.) Travelers authorized to use their personal vehicles may request a travel advance for estimated mileage.
 - 3.) Actual detailed receipts are required to substantiate expenses.
- b.) For travel without an overnight stay, Travelers, authorized to use their personal vehicles, may request a travel advance for mileage.
- c.) An expense advance must be requested prior to the scheduled travel so that a check may be prepared through the normal accounts payable process. Late requests may not be accommodated. Requests should be made up to 3 weeks in advance of travel, but must accommodate the attached accounts payable check process dates.



COUNCIL POLICY

REIMBURSEMENT POLICY

Policy Statement

The City of Morro Bay (City) is a full-service City, providing essential services to over 10,000 residents related to public safety, planning, building, public works and recreation. In addition, the City has a vibrant tourism industry, attracting thousands of visitors annually, all of whom utilize city services in some fashion. As such, it is prudent for the City to establish sound financial management policies that conform with generally accepted accounting principles and state regulations. This policy is intended to help guide reimbursements to staff as well as elected and appointed officials.

Purpose

Per California law effective January 1, 2006, all local officials who receive reimbursement of expenses are required to receive two hours of ethics training every two years. The training must cover both ethics laws and ethics principles. The City Clerk provides assistance in identifying a number of options for complying with this requirement and will also ensure that all Staff, Council and Commission Members are in compliance.

Authorized Expenses

City funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized City business. The following types of expenses generally constitute authorized expenses, as long as the other requirements of this policy are met:

- Communicating with representatives of local, regional, state and national government on City adopted policy positions;
- Attending educational seminars designed to improve officials' skill and information levels;
- Participating in local, regional, state and national organizations whose activities affect the City's interests;
- Recognizing service to the City (for example, thanking a long-time employee with a retirement gift or celebration of nominal value and cost);
- Attending City events;
- Attending a charitable event for the San Luis Coastal Unified School District; and
- Travel within the County attending to City business.

As an example, attendance at meetings and events of the following organizations are considered important in representing the City's interests and hearing, learning about and sharing the far-reaching concerns of the community:

California Legislature
City/County Association of Governments
League of California Cities

For City Council and Appointed Official travel, the following expenses also require prior City Council approval:

International and out-of-state travel;
Expenses which exceed the annual budget established by the City Council for education and training.

For staff travel, the following expenses require prior approval from the Department Director or City Manager:

International and out-of-state travel;
Expenses which exceed the annual budget established by the City Council for education and training.

Examples of expenses that the City will not reimburse include, but are not limited to:

- The non-business extension of any trip;
- Political contributions or events;
- Family expenses, including partner's expenses when accompanying an official on agency-related business, as well as children- or pet-related expenses;
- Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf-related expenses), or other cultural events;
- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
- Personal losses incurred while on City business.

Any questions regarding the propriety of a particular type of expense should be resolved by City Manager, in the case of staff, or the City Council, in the case of elected and appointed official, before the expense is incurred.

Cost Control

To conserve City resources and keep expenses within community standards for public officials and staff, expenditures should adhere to the following guidelines.

Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs must be used, using the most direct and time-efficient route. In the event that a more expensive transportation form or route is used, the cost borne by the City will be limited to the cost of the most economical, direct, efficient and reasonable transportation form.

Automobile mileage is reimbursable at Internal Revenue Service rates presently in effect (see www.irs.gov). These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable.

Lodging

Lodging costs will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging costs should not exceed the group rate published by the conference sponsor for the meeting in question. For overnight stays in other contexts, costs will be reimbursed at Internal Revenue Service per diem rates for lodging, which include adjustments for higher cost locations. (See Publication 1542 at www.irs.gov or www.policyworks.gov/perdiem. The site

also has references to hotels that have government rates at or below Internal Revenue Service per diem limits.)

Meals

Meal expenses and associated gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area. A helpful source of guidance is Internal Revenue Service per diem rates for meals and incidental expenses, which include adjustments for higher cost locations (see Publication 1542 at www.irs.gov or www.policyworks.gov/perdiem).

Parking

Parking costs will be reimbursed only if no free parking is available within two (2) blocks of an event or if an official is disabled.

Expense Report Content and Submission Deadline

Expense reports must document that the expense in question met the requirements of the policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed, and how those relate to the City's adopted legislative positions and priorities.

Officials and staff must submit their expense reports within thirty (30) days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation in a timely fashion may result in the expense being borne by the official or staff

Audits of Expense Reports

All expenses are subject to verification of compliance with this policy.

Compliance with Laws

City officials and staff should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act and other laws.

Violations of This Policy

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the City, 3) the City's reporting the expenses as income to the elected official to state and federal tax authorities, and 5) prosecution for misuse of public resources.



COUNCIL POLICY CASH ADVANCE POLICY

Policy Statement

The City of Morro Bay (City) is a full-service City, providing essential services to over 10,000 residents related to public safety, planning, building, public works and recreation. In addition, the City has a vibrant tourism industry, attracting thousands of visitors annually, all of whom utilize City services in some fashion. As such, it is prudent for the City to establish sound financial management policies that conform with generally accepted accounting principles and state regulations. This policy is intended to help guide cash advancements to staff and local elected and appointed officials.

Purpose

From time to time, it may be necessary for staff, an elected or appointed official to request a cash advance or payment directly to the host of an event to cover anticipated expenses while traveling or doing business on the City's behalf or for the purpose of attending training out of the area when the employee or City official does not have access to a City Credit Card. Such request for an advance should be submitted to the Finance Director (and/or his or her designee) in the case of staff or the City Manager, in the case of elected and appointed officials, at least three (3) days prior to the need for the advance with the following information:

- The purpose of the expenditure(s);
- The benefits of such expenditure(s) to the residents of the City;
- The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
- The dates of the expenditure(s).

Any unused advance must be returned to the Finance Department within five (5) days of the employees or official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

Expense Report Content and Submission Deadline

Expense reports must document that the expense in question met the requirements of the policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed, and how those relate to the City's adopted legislative positions and priorities.

Expense reports must be submitted within thirty (30) days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation. Alcohol purchases of any kind will not be reimbursed.

Inability to provide such documentation in a timely fashion may result in the expense being borne by the employee or official.

Audits of Expense Reports

All expenses are subject to verification of compliance with this policy.

Compliance with Laws

Staff and City officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act and other laws.

Violations of This Policy

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the City, 3) the City's reporting the expenses as income to the elected official to state and federal tax authorities, and 5) prosecution for misuse of public resources.

RESOLUTION NO. 61-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE CITY OF MORRO BAY'S ACCOUNTING AND FINANCIAL REPORTING
POLICIES RELATED TO DONATIONS AND GRANT MANAGEMENT POLICIES**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay wishes to establish Financial policies to direct staff and provide transparency to the Council and Community; and

WHEREAS, those policies include a policy related to donations to the City; and

WHEREAS, those policies include a policy outlining the City's Grant Management practices; and

WHEREAS, staff recommends the City Council adopt the proposed Donation and Grant Management Policies, which demonstrate the City's commitment to fiscal responsibility and prudent management and is consistent with Government Accounting Standards.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the "Donation Policy," as set forth in Exhibit A, and "Grant Management Policy," as set forth in Exhibit B, attached hereto and incorporated herein, are hereby approved.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25^h day of June 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



COUNCIL POLICY

DONATION POLICY

Policy Statement

The City of Morro Bay (City) is a full-service City, providing essential services to over 10,000 residents related to public safety, planning, building, public works and recreation. In addition, the City has a vibrant tourism industry, attracting thousands of visitors annually, all of whom utilize City services in some fashion. As such, it is prudent for the City to establish sound financial management policies that conform with generally accepted accounting principles and state regulations. In some cases, individuals, community groups and businesses may wish to make donations to the City in either cash, in-kind contributions that enhance projects, facilities and programs, or equipment donations.

Purpose

The City recognizes that it is acceptable and appropriate to accept donations, in order to enhance City programs and/or facilities, to provide a higher level of service to the public and, as such, welcomes donations of cash, in-kind contributions and equipment to help fund projects and City needs.

Policy

The City of Morro Bay welcomes and appreciates donations that meet the one or more of the following objectives:

- The donation must have a purpose consistent with City goals and objectives;
- The City may decline any donation without comment or cause;
- The donation will not be in conflict with any provision of the law;
- The donation will be aesthetically acceptable to the City;
- The donation will not add to the City's workload unless it provides a net benefit to the City;
- The donation will not bring hidden costs such as starting a program the City would be unwilling to fund when the donation was exhausted.
- The donation places no restrictions on the City, unless agreed to by the City Council.
- The donation shall become property of the City unless there is a written, executed agreement to the contrary.
- Donations exceeding \$5,000 shall be accepted through a written agreement consistent with these guidelines and approved by the City Council. In-kind capital donations will be subject to normal City review, permitting, inspection, and insurance requirements.



COUNCIL POLICY

GRANT MANAGEMENT POLICY

Policy Statement

Given the City's fiscal challenges and long-term budget forecast projections, grant revenues are an even more important part of the City's overall resource picture, especially in funding capital improvements. Although grant programs themselves are being reduced and becoming more competitive, actively seeking out grant revenues that assist in achieving identified City goals and objectives should nonetheless play a key role in the City's overall financial health strategies.

The purpose of this policy is to set forth an overall framework for guiding the City's use and management of grant resources.

Goals

1. Set forth the importance of grant programs in accomplishing City goals and objectives.
2. Establish general concepts and framework for seeking and managing grant programs.
3. Identify roles and responsibilities in managing grant programs.
4. Establish criteria for evaluating the benefits and costs of grant programs.
5. Set forth the City's policy in complying with Single Audit Act requirements.

General Concepts And Framework

1. The City will aggressively pursue grant funding from federal, state and other sources, consistent with identified City goals and objectives.
2. Aside from entitlement grants, the City should focus its efforts on securing grants for capital improvements. This approach will allow the City to compete for projects we might not otherwise be able to afford while maintaining financial independence should future grant sources diminish. Grants for operating purposes may be considered on a case-by-case basis after careful consideration of the benefits of the program and the ongoing impacts on the City if grant funding is no longer available.
3. Until the City's financial situation significantly improves, we should avoid grants that fund "pilot" operating programs or short-term staffing enhancements to existing programs. Taking on these programs could ultimately aggravate the City's fiscal position should the desire for the program remain once the grant funding is no longer available.
4. The City will only seek grants when sufficient staff resources are available to effectively administer the program in compliance with grant requirements and successfully perform the grant work scope.
5. Indirect costs of administering grant programs will be recovered to the maximum extent feasible.
6. Operating departments have the primary responsibility for seeking out grant opportunities, for preparing effective grant applications and for successfully managing grant programs after they have been awarded.

7. Operating departments should develop a simple system that tracks grant funding availability in their functional areas. Using this system, all capital improvement plan budget requests will evaluate and document the ability of grants to assist in funding the project.

Roles And Responsibilities

City Council

1. Approves grant management policies.
2. Approves all grant applications in excess of \$25,000 and delegates receipt and contract execution to the City Manager if delegation is allowed by the grantor agency. The City recognizes that in some cases it may be impossible to bring forth a grant opportunity to Council prior to submission, given that in some cases timelines for submittal are short. In such cases, and only with the City Manager's approval, a notification of submittal will be presented to the City Council next reasonably available City Council meeting.

City Manager

1. Receives grants and executes related contract documents when delegated to do so by the Council.
2. Develops, recommends and maintains grant management policies.

Operating Departments

1. Develop systems for maintaining ongoing information regarding grant availability within their functional areas of responsibility.
2. Evaluate benefits and costs of specific grant programs on a case-by-case basis:
 - a. Purpose of the grant program and its consistency with identified City goals and objectives.
 - b. Additional staffing, office space, facilities, supplies or equipment that will be required if the grant is awarded.
 - c. Ongoing impacts of the grant program after it is completed.
 - d. Responsibilities of other departments and impacts on them in preparing the grant application or performing work scope if the grant is approved.
 - e. Amount of indirect costs to be recovered from the grant,
 - f. Total program costs, including portion funded through grant revenues and any required City contribution.
 - g. Source of funding for any required City share.
 - h. Compliance and audit requirements, paying special attention to those areas where the grantor's administrative procedures are different than the City's.

3. Prepare grant applications.
 - a. Work with the grantor agency in identifying special program requirements and developing strategies for preparing a successful grant application.
 - b. Complete grant application documents.
 - c. Coordinate with affected departments as necessary.
 - d. For grants in excess of \$25,000, prepare a Council agenda report requesting authorization to seek grant funding. This report should describe the grant program's conformance with this policy, including the results of the cost/benefit analysis.
 - e. For grants of \$25,000 or less, submit the grant application, subject to the following conditions:
 - It will not add regular staffing.
 - Any matching funds or in-kind contributions are already available within existing resources, and no additional appropriation of unreserved, undesignated fund balance or working capital is required.
 - At the conclusion of the grant, there will no ongoing commitments or obligations to continue the program.
 - The purpose of the grant program is clearly consistent with current City plans, policies and goals.
4. Administer grant programs if awarded.
 - a. For grants in excess of \$25,000, prepare a City Manager Report (or Council agenda report if required by the grantor agency) accepting grant award, budget amendment request and any other required City forms or documents; and coordinate execution of grant documents by the City Manager and return executed documents to grantor agency.
 - b. For grants of \$25,000 or less, execute and return grant documents to grantor agency.
 - c. Notify affected departments of grant award.
 - d. Maintain financial and other records in accordance with grant requirements.
 - e. Complete and submit required reports, including requests for funds.
 - f. Monitor grant expenditures and receipt of revenues.
 - g. Coordinate on-site management reviews by the grantor agency during the grant term.
 - h. Ensure compliance with grant requirements, paying special attention to those areas where the grantor's administrative procedures are different than the City's.
 - i. Perform the grant work scope.

5. Complete grant closeout.
 - a. Complete the grant work scope.
 - b. Notify affected departments that the project is completed and schedule a “close-out” meeting if necessary, to resolve any final procedural issues.
 - c. Ensure final receipt of grant revenues.
 - d. Prepare and submit any required grant close-out documents.
 - e. Review grant file for completeness.
 - f. Retain all necessary program and financial records for the period of time required by grantor agency.
 - g. Coordinate any on-site management reviews or audits after the grant is completed.
 - h. Resolve any audit findings.
 - i. Ensure that the City’s policy regarding single audit act requirements is implemented as discussed below.

Finance Department

1. Provides technical assistance to operating departments in preparing grant applications, submitting reports and maintaining records.
2. Coordinates preparation and distribution of single audit reports.

Other Departments

Provide assistance to the managing department as identified during the grant application and award process.

Single Audit Act Requirements

Background

The City is subject to the financial and compliance requirements of the Single Audit Act of 1984, which is applicable to all local and state governments expending more than \$750,000 in federal financial assistance during a fiscal year. The purpose of the Act is to:

1. Improve the financial management and accountability of state and local governments with respect to federal financial assistance programs.
2. Establish uniform requirements for audits of federal grants.
3. Promote efficient and effective use of audit resources.

4. Assure that federal departments and agencies rely upon and use audit work performed during a single audit rather than performing the audit work themselves.

Under this Act, federal grants are included under an inclusive single audit program that is incorporated into the City's annual audit and financial report preparation process. During the audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

City's Policy Regarding the Single Audit Approach

For federal grants included in the scope of the City's single audit approach, it is the City's policy that all financial and compliance issues have been met through the single audit, and follow-up audits to determine these issues are not necessary unless specifically related to findings or recommendations included in the single audit report. As noted above, the purpose of the Act is to establish uniform audit requirements, promote efficient use of audit resources, and assure that federal agencies rely upon audit work already completed; its purpose is *not* to audit local agencies twice. Accordingly, the City will strongly resist any efforts by federal agencies to duplicate audit work already performed in complying with Act requirements. As such, whenever federal grantor agencies request final audits, the managing department should notify the Department of Finance in order to ensure a consistent response to these types of requests.

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RESOLUTION NO. 62-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE CITY OF MORRO BAY'S ACCOUNTING AND FINANCIAL REPORTING
POLICIES RELATED TO UTILITY PAYMENT ARRANGEMENT, LEAK REVIEW, APPROVED
PAYMENT TYPES, AND CHANGE OF PRIMARY ACCOUNT HOLDER POLICIES**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay wishes to establish Financial policies to direct staff and provide transparency to the Council and Community; and

WHEREAS, those policies outline the City's utilities payment arrangement program, leak review procedures, approved forms of payment, and change of primary account holder; and

WHEREAS, staff recommends the City Council adopt the proposed policies, which demonstrates the City's commitment to fiscal responsibility and prudent management and is consistent with Government Accounting Standards.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the following policies, attached hereto and incorporated herein, are hereby approved.

1. "Payment Arrangement Policy," as set forth in Exhibit A,
2. "Leak Review Policy," as set forth in Exhibit B,
3. "Payment Type Policy," as set forth in Exhibit C, and
4. "Change of Primary Account Holder Policy," as set forth in Exhibit D.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25^h day of June 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



COUNCIL POLICY

Payment Arrangement Policy for Utilities

Policy Statement

The City of Morro Bay (City) Public Works Department, Water and Sewer Divisions, are responsible for the collection and treatment of wastewater for over 5,000 customers within City limits, and delivery of potable water to a similar number of customers.

The City Council sets legislative financial management policies, as recommended by staff and advisory committees. This Payment Arrangement Policy is designed to resolve an outstanding balance on a Customer's account in a timely manner under qualifying circumstances.

Purpose

The Payment Arrangement Policy for Utilities establishes a mechanism and authority for aiding with an outstanding balance that the Customer is not able to pay with one payment. A payment arrangement may be used once during a twelve-month period.

Definitions

Outstanding Balance – any balance on a utility account that has not been paid by the due date.

Penalty – ten percent (10%) of the unpaid, past-due balance on a utility account, assessed the first day of the month following due date.

Tag Notice – fee charged for the physical posting of shut-off notices at the customer's location.

Shut off due to non-payment – physical turning off the water and locking of the meter by a Technician due to non-payment.

Payment Arrangement

The City bills utility customers monthly for water and sewer services. For any account with an outstanding balance after 60 days is subject to shut off.

- Policy Agreement form (attached) must be requested and signed by the Primary Customer. Once it is received by City Hall it will go in effect.
- The Customer will be required to pay the monthly payment amount in addition to the current monthly charges.
- The number of months of payments are three months, six months and a maximum of nine months. A Payment Arrangement can only be nine months if the outstanding balance is \$1000 or over (usually from a leak review or excessive use of water).
- When the signed Policy Agreement form is received, the account will not be penalized or subject to shut off for outstanding balance if payments are received by the due date.

- If payments are not received by the due date, a 10% penalty of the overdue balance will be assessed.
- If a monthly payment is 30 days late, the City shall discontinue the Payment Arrangement at its discretion.
- If a Customer has had a Payment Arrangement discontinued, they will not be eligible for another payment arrangement for a 24-month period.

This policy applies to all customers of the City of Morro Bay who have a utility billing account with the city. The Finance Department is responsible for the administration and enforcement of this policy.



COUNCIL POLICY

Leak Review Policy for Utilities

Policy Statement

The City of Morro Bay (City) Public Works Department, Water and Sewer Divisions, are responsible for the collection and treatment of wastewater for over 5,000 customers within City limits and delivery of potable water to a similar number of customers.

The City Council sets legislative financial management policies, as recommended by staff and advisory committees. Section 2.12.160 of the Municipal Code states that it shall be the duty of the City Manager to, “investigate all complaints in relation to matters concerning the administration of the city government and in regard to the service maintained by public utilities in the city, ...” This Leak Review Policy for Utilities (“Policy”) provides the City Manager to administer the City’s policy in an efficient manner and to take such actions as are necessary to carry out the affairs of the city.

Purpose

The purpose of the Leak Review Policy is to resolve utility customer concerns regarding utility leaks in a fair and timely manner.

Definitions

Leak – A loss of water due to break, malfunction, damage or wear and tear.

Penalty – ten percent (10%) of the unpaid, past-due balance on a utility account, assessed the first day of the month following due date.

Posting of Notices – fee charged for the physical posting of shut-off notices at the customer’s location.

Discontinuation of Service – shut and lock off of water due to nonpayment of past due balance.

Leak Review Assessment and Implication

- The Leak review policy will only act when written requests is received from the primary utility customers with regard to water and/or sewer billing matters.
- Once a written receipt is received from the primary customer, and consumption has returned down to normal for at least two reads, the account will be reviewed as soon as practical to address the customer’s concern.
- A customer is limited to 2 reviews in a 5-year period that may be presented to the City on a single address.
 - Example: 1st leak reviewed 2014, customer then has until 2018 to submit 1 more leak letter for review. In 2019 the five-year time frame starts over again.
- The City shall have the authority to make a billing adjustment, in the interest of fairness presented by the customer and the City’s utility clerk.

- If an adjustment is made, the following formula is used:
 - An annual average usage is determined for the customer.
 - Any consumption above the annual average for the account in tier 4 is adjusted off.
 - Any consumption above the annual average for the account in tier 3 is adjusted by half.
 - If the leak is determined to be a documented outside leak of a commercial account, the sewer is also adjusted based on the same annual average usage.
- Decisions of the City shall constitute the final administrative review of the matter.
- When a customer requests that his/her billing concern be addressed by the City, no further collection actions (i.e. penalties, posting of notices, discontinuation of service, etc.) shall be taken until the concern is reviewed, and a decision is rendered. The customer will be required to pay that portion of the bill that reasonably would be due and payable, aside from the contested portion.

This policy applies to all customers of the City of Morro Bay who have a utility billing account with the city. The Finance Department is responsible for the administration and enforcement of this policy.



COUNCIL POLICY

Payment Type Policy for Utilities

Policy Statement

The City of Morro Bay (City) Public Works Department, Water and Sewer Divisions, are responsible for the collection and treatment of wastewater for over 5,000 customers within City limits, and delivery of potable water to a similar number of customers.

The City accepts payment for utility bills in the form of check, cash, credit/debit card, electronic payment or direct payment.

Purpose

The Payment Type Policy for Utilities establishes what payment types are accepted, and how the payment is considered on time. Utility bill payments are due on the last day of the month for current charges.

Definitions

Check – this includes money order, or cashier's check. Payments in check form can be mailed to City Hall, dropped off in the office or in the drop box outside of City Hall. The payment is entered and accounted for on the day it's received. The City will not accept a postdated check due to it not being legal tender. The check will be returned to sender if the check is: postdated, not endorsed to the City of Morro Bay, unsigned or incorrect legal description along with a letter from the City.

Cash – the City does accept USD cash as a form of payment. This form of payment is made at City Hall at the front desk. We do not recommend mailing cash or depositing the cash payment into the drop box but will accept it.

Credit/Debit Card – the City accepts card payments through our website and in City Hall. There is a 3% convenience fee for all card payments. Card payments through the website are entered the following business day from when the payment was made.

Bank Draft/Direct Payment – is established when the Bank Draft form and a voided check or printout from the bank is provided. The bill will be paid on the 21st of every month, or next following business day if the 21st falls on a Holiday or weekend.

Electronic Payment – a Customer's bank deposits payments electronically. These payments are posted as they are received by the City.

Payment Types

Utility customers who do not have their payment turned in by the last day of the month are subject to a 10% penalty on their remaining balance on the account.

If the first day of the month falls on a weekend or holiday, payments received before City Hall opens on the following business day are considered on time. For example: if the 1st falls on a Saturday, and a payment is made before City Hall opens at 8 am on the following Monday, the payment is considered on time.

This policy applies to all customers of the City of Morro Bay who have a utility billing account with the City. The Finance Department is responsible for the administration and enforcement of this policy.



COUNCIL POLICY

Primary Account Holder Change Procedural Policy

Policy Statement

The City of Morro Bay (City) Public Works Department, Water and Sewer Divisions, are responsible for the collection and treatment of wastewater for over 5,000 customers within City limits and delivery of potable water to a similar number of customers.

The Primary Account Holder Change Procedural Policy (“policy”) is designed to set forth procedures to best serve citizen and staff.

Purpose

The Policy is to provide the most efficient customer service to Citizens by setting procedures for the changing of primary account holder in the case of death, or no longer able to make executive decisions.

Primary Account Holder Change Procedure

A primary account holder change shall be requested by the next of kin or executor of Power of Attorney (“POA”). The requesting person must provide the following:

- Verification of identity by either email or in person (acceptable formats provided below):
- Legal photo ID
- A copy of death certificate shown to Utility Clerk stating next of kin or a copy of POA stating executor

Once the documentation is shown, a “Primary Account Holder Change” form (attached) will need to be completed and submitted.

The application fee will be waived.

This policy applies to all customers of the City of Morro Bay who have a utility billing account with the City. The Finance Department is responsible for the administration and enforcement of this policy.

City of Morro Bay

Primary Account Holder Change Request

Print, complete, and return with legal ID,
copy of death certificate or power of
attorney documentation

Water Department
595 Harbor
Morro Bay, CA 93442
Ph: 805-772-6222
Fax: 805-772-7329
waterbilling@morrobayca.gov

Office Use Only	
Account Number:	<input type="text"/>
Date Received by the City:	<input type="text"/>

I hereby authorize assumption of responsibility of utility account at:

(Address)

and assume responsibility for payment of utility bills on:

(Date)

Check One: Owner POA

Name for Billing

Associated Customer

Mailing Address

Mailing City, State, Zip Code

Phone Number

Drivers License & Date of Birth

Associated Customer Date of Birth

Signature Required

*A copy of a valid State Issued Drivers License/ID Card, Military ID, or passport, of the account holder is required to establish service per the Federal Trade Commission Red Flag Rule.

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AGENDA NO: B-1
MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 17, 2019
FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
SUBJECT: Adoption of Resolution No. 51-19 Directing the Levy of the Annual Assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends the City Council conduct the final public hearing and adopt Resolution No. 51-19, approving the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2019/20.

ALTERNATIVE

Not adopt Resolution No. 51-19 and provide alternative specific direction for staff.

FISCAL IMPACT

By adopting Resolution No. 51-19, \$148,944 will be collected through an assessment of all benefitting parcel owners in the Cloisters subdivision for the Cloisters Landscape and Lighting Maintenance Assessment District for the maintenance of the Cloisters Park and Open Space.

SUMMARY

At the May 14, 2019, City Council meeting, Council adopted Resolution No. 33-19 approving the Engineer’s Report describing the annual maintenance to be completed at the Cloisters Park and Open Space and declaring the City’s intent to levy an annual assessment to finance this maintenance. The assessment, projected at \$1,241.20 per assessable lot in the Cloisters subdivision, will be collected by the County Assessor. As part of the assessment process, the City ordered the preparation of an Engineer’s report, adopted a resolution of intention to levy an assessment, and set June 25, 2019 as the public hearing date on the proposed levy of assessment.

BACKGROUND/DISCUSSION

Up until 2015, this required public hearing was advertised as a “protest hearing,” where those in the assessment district could file protests to the continuation. State law does not require a protest hearing, so long as there are no increases in the assessment. Currently, there are no proposed increases to the assessment amount.

In 2004, the Court determined, due to a lawsuit filed by three Cloisters residents, there are many special benefits associated with the Cloisters Landscape and Lighting Maintenance Assessment District. The Cloisters lots directly benefit from the Cloisters open space and close proximity of the public park, bicycle pathway, right of way landscaping, Environmentally Sensitive Habitat restoration areas and coastal access. There was also created, and reserved in favor of each

Prepared By: RL Dept Review: RL
City Manager Review: SC City Attorney Review: CFN

owner in the Cloisters development, easements for view, open space, scenic, passive recreation and coastal access across the entirety of LOTS 121, 122 and 123, which shall not be developed with any improvements or structures, unless necessary and proper for the restoration and maintenance of the Environmentally Sensitive Habitat Area. The Court determined further special benefits include: improved aesthetic appeal of nearby parcels, improved dust control, enhanced adaptation of the urban environment within the natural environment, improved erosion resistance, improved drainage and flood control, enhanced crime deterrence and aid to police protection, increased nighttime safety on roads and highways, improved visibility for pedestrians and motorists, improved ingress and egress to property, reduced vandalism and other criminal acts and damage to improvements or property, improved traffic circulation, reduced nighttime accidents, and special enhancement to property value resulting from the above benefits.

The Court also determined the City does not need to, nor is it required to, prepare an annual redetermination of the separation of special and general benefits. The Court specially held:

“When the special assessment district was formed the owner of all of the parcels consented to its formation. Moreover, the owner did not object to the amount of the assessment, which the City based upon the cost of the special benefits being conferred on the properties within the assessment district, nor to the specific amount allocated to each parcel as its proportionate share. Because express consent to the amount and allocation of the assessment was given by petitioners’ predecessor, and petitioner’s purchased their properties with actual or constructive knowledge of the amount of the assessment, it is too late for them now to withdraw the consent and attack the amount of the assessment.”

Staff continues to recognize the importance of proper maintenance of the Cloisters Park and Open Space, which are generally outlined in the Engineer’s Report. This fiscal year the staffing for the Assessment District will not be less than the equivalent of one full time employee. Staff will continue to utilize various means to inform Cloisters’ residents of upcoming meetings and various upcoming maintenance tasks, including mailings, meetings, email to the Cloisters Yahoo group, the City’s web based “Notify Me”, and the “Doodle Poll” app.

Staff will continue methods for increasing efficiency and reducing maintenance costs to enhance the capital reserve fund. Savings from periodic maintenance performance will be allocated to deferred maintenance/capital projects. Projects anticipated for FY 2019/20 include completing the redesign and potential overhaul of the landscaping, which is at or near its expected lifespan, to a more drought tolerant type and to require a lower level of ongoing maintenance along with the replacement, playground structure improvements, and reed thinning in the pond located in the Environmentally Sensitive Habitat Area.

CONCLUSION

Staff recommends continuation of the assessment of the property owners within the Cloisters Lighting and Maintenance Assessment District to help fund the City’s maintenance of the Cloisters Park and Open Space. Staff will continue communicating with the owners to enhance our relationships and to allow for noticing of upcoming events which may impact their residences.

ATTACHMENT

1. Resolution No. 51-19

RESOLUTION NO. 51-19

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT
FOR THE CLOISTERS LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE
“LANDSCAPING AND LIGHTING ACT OF 1972”
(STREETS AND HIGHWAYS SECTIONS 22500 *ET. SEQ.*)**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, on May 14, 2019, the City Council adopted Resolution No. 33-19 declaring the Council’s intent to levy an assessment for the annual maintenance of the Cloisters Park and Open Space within the Cloisters Landscaping and Lighting Maintenance Assessment District (the “District”) and approving the Engineers Report; and

WHEREAS, a public hearing for the levy of the annual assessment of the District was scheduled for June 25, 2019, at or about 5:30 p.m. in the Veteran’s Memorial Building; and

WHEREAS, notices regarding the proposed assessment listing the date, time and location of the public hearing were published in the local newspaper; and

WHEREAS, the City Council did take public testimony from all interested parties as to the levy of the annual assessment for the District on June 25, 2019, at the Veteran’s Memorial Building.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay:

1. The annual levy for the maintenance of the District, generally located as shown on Exhibit “A” attached hereto, is hereby ordered and the assessment of \$148,944 to be equally distributed per assessable parcel for the Fiscal Year 2019/20 is hereby confirmed.

2. Adoption of this Resolution shall constitute the levy of an assessment for the Fiscal Year 2019/20 and the City Clerk shall file the diagram and assessment with the County of San Luis Obispo Auditor.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held this 25th day of June 2019 by the following roll call vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, MAYOR

ATTEST:

DANA SWANSON, CITY CLERK

Exhibit "A"

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





AGENDA NO: B-2

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 18, 2019
FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
SUBJECT: Adoption of Resolution No. 52-19 Directing the Levy of the Annual Assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends the City Council conduct the public hearing and approve the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance District by adopting Resolution No. 52-19.

ALTERNATIVES

Not adopt Resolution No. 52-19 and provide specific direction for staff.

FISCAL IMPACT

By adopting Resolution No. 52-19, \$5,645 will be collected through an assessment of all parcel owners in the North Point subdivision for the maintenance of the North Point Natural Area.

DISCUSSION

At the May 14, 2019, City Council meeting, the Council adopted Resolution No. 34-19 approving the Engineer's Report describing the annual maintenance to be completed at the North Point Natural Area and declaring the City's intent to levy an annual assessment to finance the maintenance. The assessment, projected at \$564.50 per assessable lot in the North Point subdivision, will be collected by the County Assessor.

The approved Engineer's Report estimated of costs for maintenance of the North Point Natural Area. The cost estimates are based on the maintenance standards currently used in existing parks and open space areas within Morro Bay. The estimate for maintenance of the North Point Natural Area is \$5,645 or \$564.50 per parcel for fiscal year 2019/20.

Personnel costs, as well as supplies and services, have risen in the last several years. However, due to the small acreage, natural landscaping and little irrigation in the North Point Natural Area, the assessment amount collected is currently adequate to cover the costs of maintenance while still accruing a small capital reserve. For FY 2019/20, staff has proposed to construct lighting and access improvements with a portion of the capital reserve.

As part of the assessment process, the City adopted a resolution of intention to levy an assessment that set June 25, 2019 as the public hearing date on the proposed levy of assessment. The required noticing was published in the local newspaper per State requirements. The Council must hold a public hearing before considering the continuing the levy of the annual assessment.

Prepared By: <u>RL</u>	Dept Review: <u>RL</u>
City Manager Review: <u>SC</u>	City Attorney Review: <u>CFN</u>

CONCLUSION

Staff recommends continuation of the annual assessment of the property owners within the North Point Natural Area Landscaping and Lighting Maintenance District, for maintenance needs, by adopting Resolution No. 52-19.

ATTACHMENT

1. Resolution 52-19

RESOLUTION NO. 52-19

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT
NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE
ASSESSMENT DISTRICT PURSUANT TO THE
“LANDSCAPING AND LIGHTING ACT OF 1972”
(STREETS AND HIGHWAYS SECTIONS 22500 *ET. SEQ.*)**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, on May 14, 2019, the City Council adopted Resolution No. 34-19 declaring the Council's intent to levy an assessment for the annual maintenance of the North Point Natural Area Landscaping and Lighting Maintenance Assessment District (the "District") and approving the Engineers Report; and

WHEREAS, a public hearing regarding the levy of the annual assessment of the District was scheduled for June 25, 2019 at or about 5:30 p.m. in the Veteran's Memorial Building; and

WHEREAS, notices regarding the proposed assessment listing the date, time and location of the protest hearing were published in the local newspaper; and

WHEREAS, the City Council did take public testimony from all interested parties as to the levy of the annual assessment for the District on June 25, 2019, at the Veteran's Memorial Building.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay,

1. The annual levy for the maintenance of the District generally located as shown on Exhibit "A," attached hereto, is hereby ordered and the assessment of \$5,645 to be equally distributed per assessable parcel for the Fiscal Year 2019/20 is hereby confirmed.

2. Adoption of this Resolution shall constitute the levy of an assessment for the Fiscal Year 2019/20 and the City Clerk shall file the diagram and assessment with the County of San Luis Obispo Auditor.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held this 25th day of June, 2019 by the following roll call vote:

AYES:
NOES:
ABSENT:

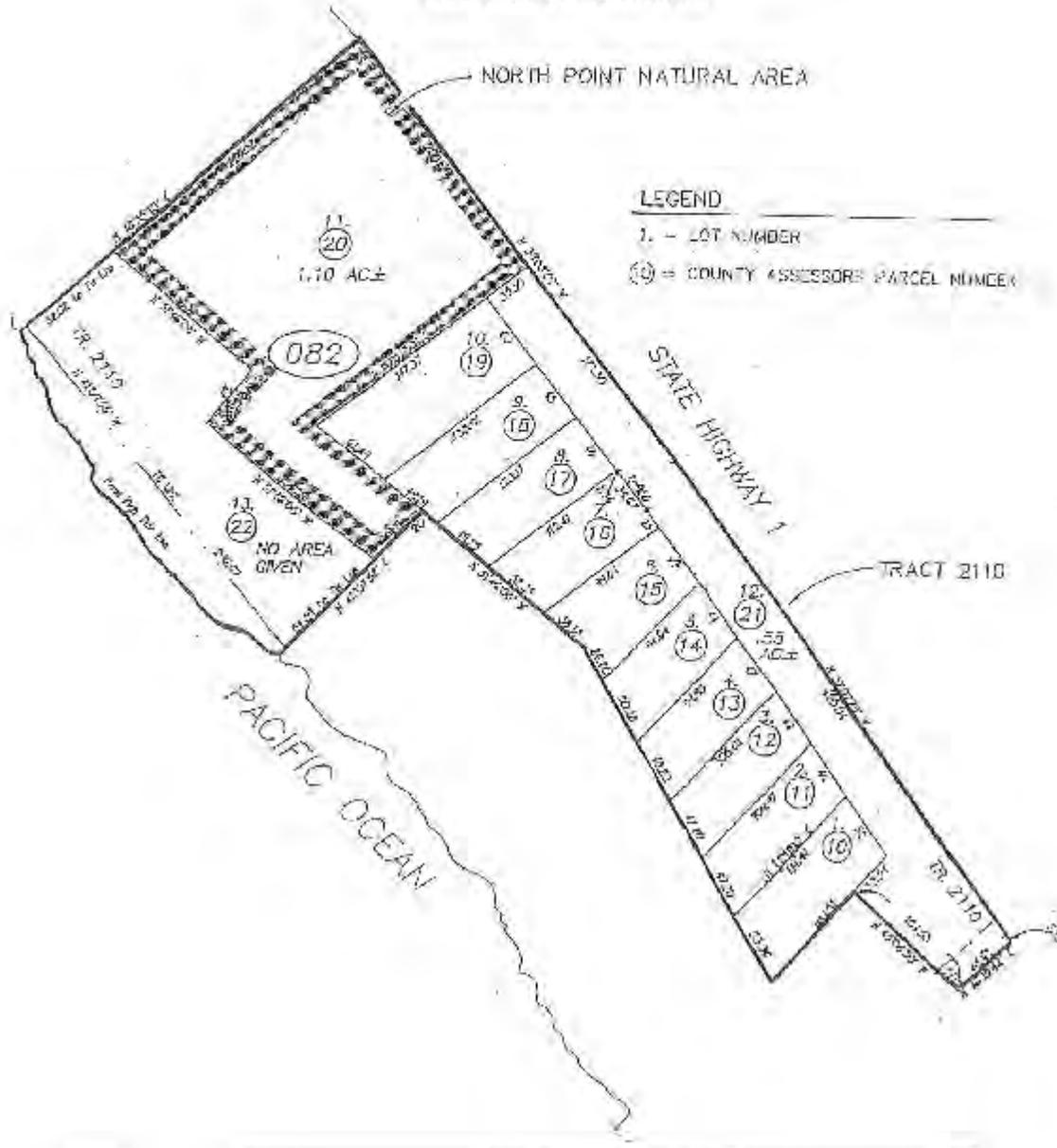
JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

NORTH POINT NATURAL AREA
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT

ASSESSMENT DIAGRAM





AGENDA NO: B-3

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 17, 2019

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Janeen Burlingame – Management Analyst

SUBJECT: Public Hearing to Report on Delinquent Solid Waste Collection Accounts and Adopt Resolution No. 53-19 Authorizing San Luis Obispo County Assessor to Assess Amounts Due on Delinquent Solid Waste Collection Accounts as Tax Liens Against the Properties

RECOMMENDATION

Staff recommends the City Council conduct a public hearing to receive the report on delinquent solid waste collection fees, hear any objections or protests to the report, and adopt Resolution No. 53-19 to confirm the report, so as to authorize the delinquent fees as assessments due as tax liens against the respective properties.

FISCAL IMPACT

The City will receive the 10% franchise fee per the Garbage, Recycling, & Green Waste Agreement on all liens paid in addition to a 2% administrative fee for costs associated with the processing of the liens with the San Luis Obispo County Assessor. Total revenue to be received will be \$42.09.

BACKGROUND

Per the Garbage, Recycling, & Green Waste Agreement, between the City and Waste Connections (operating as Morro Bay Garbage Service), the City Council establishes solid waste collection fees and Morro Bay Garbage Service (MBGS) bills for and collects these fees from residential and commercial customers.

Morro Bay Municipal Code (MBMC) §8.16.170 and §8.16.375 establish all places and premises in the City in or on which solid waste is created, accumulated or produced must use the solid waste collection and disposal service provided by the City's franchisee (MBGS).

MBMC §8.16.170 also states, for the purposes of establishing responsibility for the payment of fees and charges, the person who has applied for water service within the City is responsible for paying for the solid waste service. In addition, the owner of the property, which is furnished solid waste service, if different from that water customer, is jointly responsible for the payment of all solid waste rates, charges and fees, including penalties. Any unpaid obligations shall run with the land and lead to delinquency for the property involved.

MBMC §8.16.385 addresses delinquent solid waste accounts held by the City's franchisee, and defines the methodology related to collecting those debts including the preparation of a list of property owners whose accounts are more than 120 days past due, sending a certified letter to the property owner requesting payment within 45 calendar days, and presenting to the City a list of property owners that have failed to make the requested payment by the due date.

Prepared By: <u>JB</u>	Dept Review: <u>RL</u>
City Manager Review: <u>SC</u>	City Attorney Review: <u>CFN</u>

Government Code §387901.1 states any city collecting garbage fees or charges may collect delinquent fees or charges in the manner provided in Government Code §25831. This latter code section details activities that need to be performed when doing so which includes at least once a year the preparation of a report on delinquent fees, fixing a time, date, and place for hearing the report and any objections or protests to said report, and mailing a notice of the hearing to property owners listed on the report 10 days prior to the date of the hearing.

DISCUSSION

Morro Bay Garbage Services has taken the actions prescribed within the MBMC §8.16.385 to collect delinquent solid waste collection accounts and on May 3, 2019 submitted to the City a list of delinquent solid waste collection accounts that did not pay by the April 15, 2019 due date after being properly noticed so that City staff could report these delinquent fees to the City Council and request authorization of the San Luis Obispo County Assessor to assess these amounts due as tax liens against the properties.

The properties listed in the report submitted to the City were Assessor Parcel Numbers (APN):

- 065-053-027 in the amount of \$242.20; and
- 066-023-028 in the amount of \$108.59

The amounts reported to the City do not include the 2% administration fee assessed by the City for costs associated with the processing of the liens with the San Luis Obispo County Assessor. With the addition of the administration fee, the total fees staff recommends the City Council authorize the San Luis Obispo County Assessor to assess as tax liens against the above two properties is as follows:

- \$247.04 for 065-053-027 and
- \$110.76 for 006-023-028.

On June 13, 2019 staff confirmed with MBGS that the fees due by the April 15, 2019 date were still outstanding. Per the Government Code, on June 14, 2019 staff sent letters by certified mail notifying the property owners for the APNs listed above of the City Council public hearing date, time, and location, to receive the report of delinquent solid waste fees as well as any objections or protests to said report.

CONCLUSION

MBGS has gone through the process outlined in the MBMC and submitted the final list of property owners that failed to make the requested payment by the due date. In addition, City staff has gone through the process outlined in the Government Code setting a hearing date to report to the City Council on delinquent solid waste fees, presenting to Council this report on delinquent fees, and notifying the affected property owners of the date, time, and location of the public hearing not less than 10 days prior to the hearing date. Staff recommends the City Council conduct a public hearing to receive the report on delinquent solid waste collection fees, hear any objections or protests to the report, and adopt Resolution No. 53-19 to confirm the report, so as to authorize the delinquent fees as assessments due as tax liens against the respective properties.

ATTACHMENTS

1. Resolution 53-19

RESOLUTION NO. 53-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING THE SAN LUIS OBISPO COUNTY ASSESSOR
TO ASSESS AMOUNTS DUE ON DELINQUENT
SOLID WASTE COLLECTION AND DISPOSAL ACCOUNTS AS
TAX LIENS AGAINST THE PROPERTIES
PURSUANT TO GOVERNMENT CODE SECTIONS 387901.1 AND 25831**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, Government Code section 387901.1 states “any city collecting garbage fees or charges may collect delinquent fees or charges in the manner provided in Section 25831 for counties;” and

WHEREAS, Government Code section 25831 states that at least once a year, a report shall be prepared of delinquent fees, and the City shall fix a time, date, and place for hearing the report and any objections or protests to the report; and

WHEREAS, the City sent by certified mail notice of the hearing to the landowners listed on the report not less than 10 days prior to the date of a public hearing set for June 25, 2019; and

WHEREAS, at that public hearing, the Council shall hear any objections or protests of landowners liable to be assessed for delinquent fees and may make revisions or corrections to the report as it deems just; and

WHEREAS, Sections 8.16.170 and 8.16.375 of the Morro Bay Municipal Code (MBMC) establish all places and premises in the City in or on which solid waste is created, accumulated or produced must use the solid waste collection and disposal service provided by the City's franchisee and the franchisee is responsible for collecting fees for the service; and

WHEREAS, Subsections 8.16.170 (C) and (D) of the MBMC state, for the purposes of establishing responsibility for the payment of fees and charges, the customer, who has applied for water service within the City and the owner of the property, which is furnished solid waste service, if different from that customer, shall jointly be responsible for the payment of all rates, charges and fees including penalties and unpaid obligations shall run with the land and shall lead to delinquency for the property involved; and

WHEREAS, Section 8.16.385 of the MBMC further provides a method by which the franchisee may take actions to collect fees from the owners of properties involved in delinquent solid waste collection and disposal accounts which includes requesting the City to file a tax lien; and

WHEREAS, the franchisee, Morro Bay Garbage Service, has taken the actions required within the MBMC to collect fees from delinquent accounts as certified by franchisee and incorporated herein, and has provided the required list of debtors whose accounts are still delinquent; and

WHEREAS, City staff has taken actions required by the Government Code to prepare a report on delinquent solid waste fees, set a public hearing date for the City Council to hear the report and any objections or protests to said report, and sent by certified mail notice of the public hearing to the landowners listed on the report not less than 10 days prior to the date of the public hearing; and

WHEREAS, on June 25, 2019, such public hearing consistent with legal requirements was held at a regular Morro Bay City Council meeting ; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, pursuant to Government Code sections 387901.1 and 25831 and MBMC section 8.16.385:

1. After conducting the public hearing to hear the report of delinquent solid waste collection fees and any objections or protests of landowners liable on the report on delinquent solid waste fees, the delinquent fees as reported below are confirmed:

Parcel Number	Total Amount
065-053-027	\$242.20
066-023-028	\$108.59

2. The San Luis Obispo County Assessor is hereby authorized to assess the amounts due on delinquent accounts, as established and certified by the franchisee Morro Bay Garbage Service as liens against the properties listed below with the additional 2% City administration fee added:

Parcel Number	Total Amount
065-053-027	\$247.04
066-023-028	\$110.76

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of June 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



AGENDA NO: C-1

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 20, 2019
FROM: Scott Collins, City Manager
SUBJECT: Review Progress Update from Central Coast Aquarium for Potential Future Morro Bay Aquarium

RECOMMENDATION

Staff recommend the City Council receive and file the 90-day update from Central Coast Aquarium (CCA).

ALTERNATIVES

None.

FISCAL IMPACT

There is no fiscal impact related to the recommendation.

BACKGROUND

At the March 12, 2019 City Council meeting, Council approved the City of Morro Bay moving forward with Central Coast Aquarium in pursuing a new Aquarium project on the waterfront. Included in the motion was a one-year timeline to include four milestones:

- 1) Concept / Philanthropic Plan presented to Council within 90 days
- 2) Business Marketing Plan presented to Council within 180 days
- 3) Concept / Philanthropic Plan update presented to Council at 270 days
- 4) Final report at the end of one year with regard to further decisions on moving forward.

City Council also appointed a sub-committee (Mayor Heading, Councilmember Addis) to, in part, participate on a task force to assist the CCA in their philanthropic efforts. Council arrived at that decision in March to proceed forward in a partnership with CCA following a presentation by CCA Executive Director Christine Johnson of the feasibility study completed by Consultecon, Inc. In addition, Dr. Dean Wendt, Cal Poly Dean of College of Science and Mathematics and Board Member of the CCA, expressed Cal Poly's interest in growing its partnership with CCA for a Morro Bay aquarium at the Council meeting. The feasibility study determined an aquarium could be financially viable for CCA in a partnership with the City and Cal Poly and with fundraising for the capital improvements necessary to develop and outfit the aquarium.

DISCUSSION

Since that time, CCA has reached out to Cal Poly's marine science faculty to gather information about their interests in the aquarium, received bids from two firms to develop together an Aquarium Exhibit and Architectural Design Plan (bids attached) for a future Morro Bay aquarium, conducted fundraising outreach to numerous entities, and has engaged a local firm to revamp the CCA

Prepared By: SC

Dept Review: _____

City Manager Review: SC

City Attorney Review: CFN

website.

In addition, CCA discussed the option of being part of a Market Street Plaza development with two interested developers. CCA paused fundraising efforts for the waterfront location in April, in order to explore the Market Street Plaza option in more detail. In late May, the CCA Board determined that the waterfront location was CCA's preferred location for a new aquarium in Morro Bay as opposed to the Market Street Plaza option. That pause did delay CCA's efforts to fundraise for the concept plans. Through the fundraising efforts that were completed prior to the April pause, CCA has raised over \$19,000. A total of \$38,200 is necessary to complete the Aquarium Exhibit and Architectural Design plan. Outreach to donors for that plan is ongoing.

Finally, the Council sub-committee has met with the CCA Executive Director to support fundraising efforts, and has offered to write a letter of support for the project on behalf of the City to assist CCA in fundraising. The complete CCA update for the first 90 days is attached.

Next steps for CCA include completing fundraising for the Aquarium Exhibit and Architectural Design Plan and then pulling together stakeholders to participate in a charrettes exercise that will serve as the basis for the plan. Once the plan is completed, it will be presented to City Council for review and will ultimately serve as the basis for the aquarium capital campaign.

ATTACHMENT

1. RRM's Proposal for Aquarium Concept Design (Architectural Design)
2. Tenji Aquarium Designs' Proposal for Aquarium Conceptual Design (Aquarium Exhibit Design)
3. Central Coast Aquarium Update (March to June 2019)



April 9, 2019

Transmitted via email: christine@centralcoastaquarium.com

Christine Johnson, Executive Director
Central Coast Aquarium
50 San Juan Street
Avila Beach, CA. 93424

**RE: Morro Bay Aquarium Concept Design
Proposed Scope of Services**

Dear Christine,

RRM Design Group (RRM) appreciates the opportunity to submit our concept design proposal for the exciting future of the Morro Bay Aquarium. We look forward to working with Tenji Inc. whose expertise will guide the program and interior layout of the aquarium design. Their scope is assumed to be contracted separately but is noted for coordination reference. We are enthusiastic about being a part of creating a compelling and insightful new home for the Aquarium.

PROJECT UNDERSTANDING

The Central Coast Aquarium needs to develop a concept level programing, design, and cost estimating for the Morro Bay Aquarium site. It is our understanding that the existing site, 595 Embarcadero in Morro Bay, is currently viewed as the most feasible location for this future build-out. The services will include site investigation, site planning, a concept plan for core and shell, conceptual dock layout, and cost estimating for all these features. RRM will coordinate with your consultant, Tenji Inc. whose expertise will be focused on aquarium design in regards to the technical aspects of the tanks, species study, space planning and layout, and the interior design and theme of the public museum space.

SCOPE OF SERVICES

Task A: Conceptual Design Investigation and Collaboration

RRM will coordinate with Tenji Inc. aquarium designers, Central Coast Aquarium staff, and other consultants throughout this conceptual design process to ensure all parties have a similar vision of the project.

3765 S. Higuera St., Ste. 102 • San Luis Obispo, CA 93401
p: (805) 543-1794 • f: (805) 543-4609
www.rrmdesign.com

a California corporation • Lenny Grant, Architect C26973 • Robert Camacho, PE 76597 • Steve Webster, LS 7561 • Jeff Ferber, LA 2844



Subtask A.01: Site Information Research and Feasibility

RRM will perform an initial feasibility study that researches pertinent site information for 595 Embarcadero. RRM will use this site investigation work to create a site plan that describes parameters and restraints. RRM's review will identify areas of concern requiring additional investigation. This site plan will be utilized to explore the feasibility of this site's potential for a new structure and lay the framework for the next conceptual design collaboration tasks.

Deliverables:

- *Research of local municipalities' parameters/requirements*
- *Onsite building walkthrough*
- *Coordination with Central Coast Aquarium*
- *One (1) site plan drawing; digital PDF 24" x 36" size format*

Fixed Fee:

- *\$2,700 (see footnote A)*

Subtask A.02: Design Charrette (Optional Task)

As part of their scope of work, Tenji Inc. will facilitate a two-day design charrette. If requested, RRM will participate and collaborate on the charrette with Central Coast Aquarium staff and other consultants as a pre-design workshop to ensure all stakeholders have a coordinated vision of the project.

Deliverables:

- *Coordination with Tenji Inc., Central Coast Aquarium, and other potential consultants*
- *RRM participation, as applicable, in the two-day design charrette facilitated by Tenji Inc.*

Time and Materials: (optional)

- *Hourly (see footnote C)*

Task B: Conceptual Design – Core and Shell

RRM will coordinate with Tenji Inc. to produce a set of conceptual design documents that best utilize the desires and vision developed by the stakeholders. RRM will focus on a refined concept site plan, concept core, shell of the building, and conceptual dock design. RRM will coordinate with Tenji Inc. to incorporate their work including space programming, theming, and circulation exploration. RRM will provide color character renderings in support of project visioning and fundraising.

Deliverables:

- *Coordination with Tenji Inc., Central Coast Aquarium, and other potential consultants*
- *One (1) conceptual site plan; digital PDF 24" x 36" size format*
- *One (1) conceptual building plans; digital PDF 24" x 36" size format*



- Four (4) conceptual elevation plans; digital PDF 24" x 36" size format
- Two (2) conceptual section plans; digital PDF 24" x 36" size format
- Two (2) perspective sketches; digital PDF 12" x 18" size format

Meetings

- One (1) review meeting with Tenji Inc. to discuss charrette outcome and plan layout
- Two (2) progress review meetings with Client

Estimated Fee: Time and Materials – Not to Exceed

- \$14,000 (see footnote B)

Task C: Conceptual Cost Estimate and Project Schedule

RRM will provide a cost estimate for the site and building core and shell. This effort will be designed to coordinate with the aquarium systems and interiors cost estimate to be provided by Tenji Inc., providing a complete view of the potential costs. This study to be produced prior to the end of planning to evaluate the final cost status for Value Engineering prior to the schematic design phase. Following this cost estimate, RRM will coordinate with Tenji Inc. to produce a project schedule that formulates and defines the next best steps. This guides the schematic and design development process and sets the parameters for the final design phases of the project within the proper order of operations.

Fixed Fee:

- \$2,500 (see footnote A)

NOTE: Refer to Tenji Inc. proposal for their fixed fee.

SERVICES AND/OR INFORMATION TO BE PROVIDED BY CLIENT

- Existing building documents, as available, including building plans and surveys

LIMITATIONS OF SCOPE AND EXCLUSIONS

Please note that the tasks to be performed by the RRM team are limited purely to those outlined above. Substantive changes requested by the Client or changes in the Client's program or direction that are inconsistent with prior approvals are subject to additional services fees. Any additional services that RRM Design Group is asked to perform over and beyond those described above will be billed on a negotiated and client-approved, fixed-fee, or hourly basis per the terms of the enclosed Exhibit A-I.



The following services or tasks are specifically excluded from the scope unless specified above:

- Construction documents and construction administration
- Architecture board reviews
- Caltrans reviews, coordination, and permitting
- Interior design and interior elevations
- Grading/drainage plans, and calculations
- Erosion control/sedimentation plans and calculations
- Landscape/irrigation plans
- T24 Energy Reports – by others (i.e., building envelop and lighting compliance forms)
- Structural engineering – by others (i.e., structural calculations)
- MEP engineering – by others (i.e., mechanical, electrical, plumbing plans)
- Sprinkler design and calculations
- Truss design and calculations
- Fire alarm design
- Construction management and inspections
- Bidding and negotiations
- Payment of any required fees (i.e., building permit fees)
- Geotechnical investigations of any site features

TASK AND FEE SUMMARY

TASK	DESCRIPTION	FEE TYPE (see footnote A)	FEE TYPE (see footnote B & C)
Task A	Conceptual Design Investigation and Collaboration		
A.01	Site Information Research and Feasibility	\$ 2,700	
A.02	Design Charrette		\$ Hourly
	<i>Task A Subtotal</i>	\$ 2,700	
Task B	Conceptual Design – Core and Shell		\$ 14,000
Task C	Conceptual Cost Estimate and Project Schedule	\$ 2,500	
	SUMMARY OF FEES:	\$ 5,200	\$ 14,000
	ESTIMATED PROJECT TOTAL:	\$19,200	



Fee Footnotes

- A. Fixed fee tasks will be billed as the work progresses until the task is completed and the total amount stated in the contract for the task is invoiced.
- B. Estimated fees for tasks shown as "Time and Materials - Not to Exceed" (T&M/NTE) establish the maximum that will be billed for each task. Amounts billed will reflect actual hours and will not exceed the maximum amount shown without prior approval by the Client. RRM will provide monthly status reports on budgets relative to the progress and advise the Client in advance of exceeding estimates.
- C. Amounts billed for tasks shown as "Time and Materials" (T&M) will reflect actual hours worked.

Reimbursable Expenses

All expenses will be reimbursed pursuant to the rates, terms, and conditions in the attached Exhibit A-I.

EXHIBIT A-1: GENERAL PROVISIONS AND CONDITIONS

RRM Design Group and Client agree that Exhibit A-I is hereby made part of this proposal.

Christine, we trust this proposal is complete and accurately describes the services requested for a site investigation, conceptual design, and cost estimating of a new Morro Bay Aquarium. If you have any questions or require clarification of the scope of services, Exhibit A-I, or fees outlined above, please do not hesitate to call us. If this scope of services is acceptable, please sign below indicating mutual agreement of the terms of this proposal; return one set to RRM and retain one set for your records. Thank you again for this opportunity.

Sincerely,

RRM DESIGN GROUP

A handwritten signature in black ink, appearing to read 'Randy Russom', followed by a horizontal line.

Randy Russom
Project Manager
CA License No. C24410

A handwritten signature in blue ink, appearing to read 'Scott Martin', followed by a horizontal line.

Scott Martin
Principal
CA License No. C32348

Attachment: Exhibit A-I

The person signing and executing this contract for the Client represents and warrants that they are duly authorized and has the legal capacity and actual authority to bind the Client to each and every term, condition and obligation of this contract and that all requirements of the Client have been fulfilled to provide such authority.



AUTHORIZATION TO PROCEED BY CLIENT REPRESENTATIVE:

Sign _____
Date

Print Name, Title

Billing Email (please identify person's name and email address to receive electronic invoices)

Billing Address (if different from mailing address)

Tasks Authorized (All tasks authorized unless otherwise noted.)

ecmi\corp\rrm\on-site\X-FILES\X-Files-1000\X1046-08-CO19-San-Luis-Ranch-On-Call-Graphics\Proposal\Original-Docs\SHORT-FORM-Proposal-SL-Ranch-On-Call-Graphics-bpd-03-29-19.docx



EXHIBIT A-1

General Provisions and Conditions

The following are the terms and conditions under which RRM Design Group agrees to provide professional services to Client. This Exhibit is intended to supplement the Prime Agreement to which it is attached, and together with any other attached exhibits and/or schedules shall comprise the complete agreement (the "Agreement"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. In the event of an inconsistency between this Exhibit and the Agreement, the terms and conditions of this Exhibit shall govern.

EMPLOYEE RATES (HOURLY). Unless otherwise agreed in advance, the fees for professional services performed by RRM Design Group shall be performed on a time and materials basis at RRM Design Group's then-current rates for such work. Schedule I attached hereto and incorporated by this reference sets forth a description of RRM Design Group's standard hourly rates for its employees as of the date of this Agreement. Hourly rates may vary according to employee experience and proficiency. Hourly rates for expert witness services or depositions shall be subject to a premium of 2x the standard hourly rate. Overtime for non-exempt employees, if requested by Client, shall be charged at 1.25x the standard hourly rate.

SUBCONSULTANT EXPENSES. The fee for subconsultants of RRM Design Group shall be actual cost plus 10% to cover RRM Design Group's overhead and administrative expenses. Typical subconsultants may include, but are not limited to:

Structural Engineer, Irrigation Consultant, Geotechnical Consultant, Mechanical Engineer, Cost Estimator, Archaeological Consultant, Electrical Engineer, Soils Consultant, Traffic Consultant

RRM Design Group shall not be responsible or liable for subconsultants' data, interpretations, and/or recommendations.

REIMBURSABLE EXPENSES. Clients shall reimburse RRM Design Group for all incidental expenses incurred by RRM Design Group, or any subconsultant it may hire to perform services for the Project, at actual cost plus 10% to cover its overhead and administrative expenses.

Reimbursable expenses shall include, but are not limited to, reproduction costs, postage, shipping and handling of drawings and documents, long distance communications, fees paid to authorities having jurisdiction over the

Project, the expense of any additional insurance requested by Client in excess of that normally carried by RRM Design Group or by its subconsultants, travel expenses (transportation/automobile/lodging/meals), renderings, and models. Reimbursable automobile travel mileage will be billed at the then-current IRS business standard mileage rate.

RRM DESIGN GROUP REPRODUCTIONS. Photocopies shall be charged at a rate of \$.20 per copy. All other types of RRM Design Group reproductions including, but not limited to, blueprinting, process camera, typesetting, printing, and plotting, shall be billed at RRM Design Group's internal price sheet or, in the case of work sent to outside vendors, at the local vendor's current rate plus 10% to cover RRM Design Group's overhead and administrative expenses.

FEES AND PAYMENTS. Fees for employee rates, subconsultant expenses, reimbursable expenses, and RRM Design Group reproductions shall be billed to Client on an "as-performed basis," unless otherwise agreed by the parties in advance. **PAYMENT SHALL BE DUE AND PAYABLE UPON PRESENTATION.** In order to defray carrying charges resulting from delayed payments, a finance charge at 1.5% (or the maximum rate allowed by law, whichever is less) per month shall be added to the unpaid balance after thirty (30) days from the date of RRM Design Group's invoice. RRM Design Group, without any liability to Client, reserves the right to withhold services and work product pending payment of Client's outstanding indebtedness or advance payment as required by RRM Design Group.

ADVANCE PAYMENT. RRM Design Group reserves the right, from time to time, to require payment in advance for work estimated to be done during a given billing period.

COMMENCEMENT OF WORK. RRM Design Group's work will commence immediately upon receipt of Client's retainer and/or a notice to proceed signed by Client. If notice to proceed is delayed beyond thirty (30) days, it is understood that the terms and conditions of this Agreement are subject to revision.

TERMINATION OR SUSPENSION. Either party may terminate or suspend this Agreement upon seven (7) days prior written notice if the other party materially breaches or fails to perform any provision of this



Agreement and fails within seven (7) days after receipt of written notice from the non-breaching party to commence, and continue, correction of such breach with diligence and promptness. Failure of Client to make payments to RRM Design Group when due in accordance with this Agreement shall constitute a material breach of this Agreement and cause for termination or, at RRM Design Group's option, cause for suspension of performance of services. In the event of a suspension or termination of services as a result of Client's failure to pay, RRM Design Group shall have no further obligation or liability for loss or damage incurred by Client, including, but not limited to, damage caused by delay, loss of agency approvals, loss of financing, or interest expenses, because of such suspension or termination of service. Before resuming services, RRM Design Group shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of RRM Design Group's services. RRM Design Group's fees for the remaining services and the time schedules shall be adjusted equitably by RRM Design Group.

Notwithstanding any provision to the contrary, RRM Design Group shall be entitled to immediately, and without notice, suspend the performance of any and all its obligations pursuant to this Agreement if Client files a voluntary petition seeking relief under the United States Bankruptcy Code or if there is an involuntary petition filed against Client in the United States Bankruptcy Court and that petition is not dismissed within fifteen (15) days of its filing. Any suspension of services made pursuant to the provisions of this paragraph shall continue until such time as this Agreement had been fully and properly assumed in accordance with the applicable provisions of the United States Bankruptcy Code and in compliance with the final order or judgment issued by the Bankruptcy Court. If the suspension of services continues for a period in excess of ninety (90) days, RRM Design Group shall have the right to terminate all services pursuant to this Agreement.

ADDITIONAL SERVICES. Client agrees that if Client requests services not specified in the scope of services described in this Agreement, Client will pay for all such additional services on a time and materials basis as extra services in accordance with the Employee Rates and Subconsultant Expenses described above, and any other provisions of this Agreement. Client agrees to reimburse RRM Design Group at its then-current standard rates for any unreimbursed costs it incurs to comply with any request or subpoena by any attorney, legal authority, agency, or court of law to provide records, testimony, depositions, or any other form of

information related to any legal action involving Client in which RRM Design Group is not a named party.

ADDITIONAL DOCUMENTS. RRM Design Group shall not be required to execute any document subsequent to the signing of this Agreement that might in any way, in the judgment of RRM Design Group, breach RRM Design Group's contractual or legal obligations or put at risk the availability or costs of its professional (if any) or general liability insurance.

LIMITATION OF LIABILITY. RRM Design Group's liability for damages arising from any claimed error, omission or other professional negligence shall be limited to \$25,000 or the fee to be paid by Client for the scope of work described in this agreement, whichever is greater. At Client's election, RRM Design Group will waive this limitation of liability in consideration of the payment by Client of the greater of \$500.00 or 10% of the estimated (or agreed upon) cost of the scope of work described in this Agreement. This provision shall apply to all work performed by RRM Design Group, and its employees, agents, retained consultants, subconsultants, subcontractors, affiliates and representatives in connection with this Agreement, whether or not the entire scope of such work is described herein. Client's fee for such waiver shall be payable in full within seven (7) days after execution of this agreement. Failure to remit payment within such period shall render null and void Client's election to purchase such waiver of limitation. **CLIENT'S ELECTION TO PURCHASE A WAIVER OF LIMITATION OF LIABILITY SHOULD BE INDICATED BY INITIALING HERE:** _____.

THE PARTIES FURTHER AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES.

INDEMNIFICATION. To the maximum extent permissible by law, Client shall indemnify, defend, and hold harmless RRM Design Group and its officers, directors, shareholders, partners, managers, members, employees, agents, retained consultants, subconsultants, subcontractors, affiliates and representatives from and against any and all claims, demands, obligations, actions, suits, procedures, costs, expenses, damages, recoveries and deficiencies, injuries, liabilities or losses, including without limitation, interest, penalties, and reasonable attorneys' fees and costs, that arise from or relate to (i) the negligence, omissions, operations, or misrepresentations of Client or Client's contractors or other consultants, their respective officers, directors,



shareholders, partners, managers, members, employees, agents, affiliates and representatives with respect to the Project; or (ii) the default by Client hereunder excepting only those damages, liabilities or costs to the extent caused by RRM Design Group's negligent acts, errors or omissions, or willful misconduct as determined by a court of competent jurisdiction.

These indemnification provisions shall survive the termination or expiration of this Agreement and shall remain in full force and effect as long as permitted by applicable statutes of limitation.

INSURANCE. RRM Design Group shall obtain and maintain until completion of the services liability, property, and casualty insurance from a responsible insurer having minimum limits of not less than \$1,000,000.00 for general liability and \$1,000,000.00 for property and casualty losses for each occurrence and workers' compensation insurance in the amount of the statutory requirement. Client understands and acknowledges that RRM Design Group is not obligated to provide professional liability insurance.

TITLE. It is understood and agreed that all calculations, drawings, reports, specifications, documents, and data developed for the Project, including drawings, reports, and data on any form of electronic media, developed for the Project (collectively, the "Project Materials") shall be and at all times remain the property of RRM Design Group, who shall be deemed the author, and at all times shall retain all common law, statutory law, and other rights, including copyrights, whether or not the Project is completed. Client agrees to not transfer to others, use, or permit any other person to use the Project Materials, in whole or in part, for any purpose or project other than the Project, without the prior written consent of RRM Design Group, which may be withheld in RRM Design Group's discretion. Client further agrees to waive all claims against RRM Design Group resulting in any way from any unauthorized changes or reuse of the Project Materials for any other project by anyone other than RRM Design Group. Upon request and payment of all costs involved, Client is entitled to a copy of all final plans and specifications for use in connection with the Project for which the plans and specifications have been prepared. Client acknowledges that its right to utilize final plans and specifications and the services of RRM Design Group pursuant to this Agreement will continue only so long as Client is not in default, pursuant to the terms and conditions of this Agreement, and Client has performed all of its obligations under this Agreement.

CLIENT RESPONSIBILITIES. Concurrent with the execution of the Agreement, Client shall provide RRM Design Group in writing with full information including a program setting forth Client's design objectives, constraints, and construction budget criteria as applicable.

In addition, Client shall provide all information it has access to that relates to the site and the Project that may in any way bear upon the services of RRM Design Group hereunder, including but not limited to, a legal description of the site, a recent site survey, a site plan, the location of utilities and underground structures at the site, previous technical reports, and any previous environmental assessments and/or audits.

At its sole expense, Client shall obtain all necessary authorizations and permits to allow RRM Design Group to have access to the site at reasonable times throughout its performance of this Agreement. RRM Design Group will take reasonable precautions to minimize damage to the site, but unavoidable damage or alteration may occur and Client agrees to assume sole responsibility for the same. Client agrees to assume sole responsibility for damages due to RRM Design Group's interference with subterranean structures, such as pipes, tanks, and utility lines, that are not correctly shown on the documents provided to RRM Design Group by Client or any third party.

Client further agrees that to the extent work on an existing site or facility requires RRM Design Group to make certain assumptions regarding existing conditions, and because some of these assumptions may not be verifiable without expending additional sums of money or destroying otherwise adequate or serviceable portion of the job site or facility, RRM Design Group may not be able to obtain complete information about existing conditions. To the maximum extent permissible by law, Client shall indemnify, defend and hold harmless RRM Design Group and its officers, directors, shareholders, partners, managers, members, employees, agents, retained consultants, subconsultants, subcontractors, affiliates and representatives from and against any and all claims, demands, obligations, actions, suits, procedures, costs, expenses, damages, recoveries and deficiencies, injuries, liabilities or losses, including without limitation, interest, penalties, and reasonable attorneys' fees and costs, that arise from or relate to site conditions of which RRM Design Group has not been adequately informed.

Client shall furnish all legal, accounting, and insurance counseling services as may be necessary at any time for the Project, including auditing services Client may



require to verify the contractor's applications for payment or to ascertain how or for what purposes the contractor uses the moneys paid by Client. The information above shall be furnished at Client's expense and RRM Design Group shall be entitled to rely upon the accuracy and completeness thereof.

If Client observes or otherwise becomes aware of any fault or defect in the Project or nonconformance with this Agreement, prompt written notice shall be given by Client to RRM Design Group.

Client shall furnish information and shall review RRM Design Group work and provide decisions as expeditiously as necessary for the orderly progress of the Project and of RRM Design Group's services.

Client understands and acknowledges that if the scope of services includes RRM Design Group's assistance in applying for governmental permits or approvals, RRM Design Group's assistance shall not constitute a representation, warranty, or guaranty that such permits or approvals will be acted upon favorably by any governmental agency or be the only permits or approvals required for the Project.

STANDARD OF PERFORMANCE. The standard of care for all professional and related services performed or furnished by RRM Design Group under this Agreement shall be in accordance with generally accepted professional practice in the same or similar localities at the time the services are performed. RRM Design Group makes no warranties, express or implied, under this Agreement or otherwise in connection with RRM Design Group's services. Client acknowledges that changes to this Project inevitably will be required as a result of minor omissions, ambiguities, or inconsistencies in the plans and specifications, and therefore Client agrees to make no claim against RRM Design Group with respect to claims by the Project's contractors or others as a result of such omissions, ambiguities, or inconsistencies.

OPINION OF PROBABLE COST. Any evaluation of Client's budget for the Project, preliminary estimates or updated estimates of probable cost prepared by RRM Design Group represent RRM Design Group's opinion as an experienced and qualified professional generally familiar with the industry. It is recognized, however, that neither RRM Design Group nor Client has control over the cost of labor, materials, equipment, or services provided by others or over competitive bidding, market, or negotiating conditions. Accordingly, RRM Design Group cannot and does not warrant or represent that bids or negotiated prices will not vary from Client's

budget for the Project or any estimate or evaluation prepared or agreed to by RRM Design Group.

HAZARDOUS ENVIRONMENTAL CONDITION.

Client acknowledges that RRM Design Group's scope of services for this Project does not include any services related in any way to asbestos, PCB's, petroleum and/or hazardous or toxic materials (collectively, "Hazardous Materials"). Should RRM Design Group or any other party encounter any Hazardous Materials on the job site, or should it in any other way become known that Hazardous Materials are present or may be present on the job site or any adjacent or nearby areas which may affect RRM Design Group's services, RRM Design Group may, at its option, suspend or terminate work on the Project until Client: (i) retains a qualified contractor to abate and/or remove the Hazardous Materials; and (ii) warrants that the job site is free from any Hazardous Materials and is in full compliance with applicable laws and regulations. If no such action is taken by Client, RRM Design Group may terminate the Agreement. To the maximum extent permissible by law, Client further agrees to indemnify, defend and hold harmless RRM Design Group, its officers, directors, shareholders, partners, managers, members, employees, agents, retained consultants, subconsultants, subcontractors, affiliates and representatives from and against any and all claims, demands, obligations, actions, suits, procedures, costs, expenses, damages, recoveries and deficiencies, injuries, liabilities or losses, including without limitation, interest, penalties, and reasonable attorneys' fees and costs, that arise from or relate to any Hazardous Materials-related claims that may be brought by third parties.

ARBITRATION. Any controversy arising out of or pertaining to this contract, or its scope, interpretation, application, enforcement, or alleged breach, shall be resolved through binding arbitration. Unless otherwise agreed by the parties, the arbitration shall be conducted in the County of San Luis Obispo, California, before a neutral arbitrator who is either a retired judge or an attorney licensed in California with a minimum of ten years' litigation experience. The arbitration proceedings shall be conducted in accordance with the rules of California Code of Civil Procedure §§ 1280 through 1294.2 and any successor provisions thereto, or any other rules the parties mutually agreed upon in writing. Any award of the arbitrator may be entered as a judgment in any court having jurisdiction. The parties understand that the results of the arbitration shall be binding upon them, and that they are waiving their rights to a trial by jury.



Either party may demand arbitration of any dispute by providing the other party with written notice of the claim, the basis therefor, and the name of a proposed arbitrator. Within ten (10) days of receipt of notice of a demand for arbitration, the recipient of said notice shall provide written notice to the other party of its response to said claim, the basis therefor, and either accepting the proposed arbitrator or providing the name of an alternative arbitrator. If the parties cannot mutually agree on a proposed arbitrator, either party may apply to the superior court for appointment of an arbitrator.

The parties shall share equally all initial costs of arbitration. The prevailing party shall be entitled to reimbursement of attorneys' fees, costs, and expenses incurred in connection with the arbitration.

LIENS. This Agreement shall not be construed to alter, affect, or waive any design professional's lien, mechanic's lien, or stop notice right which RRM Design Group may have for the performance of services pursuant to this Agreement. Concurrent with Client's execution of the Agreement and from time to time thereafter as appropriate, Client shall provide in writing to RRM Design Group (i) the present name and address of the record owner of the property upon which the Project is located; (ii) the name and address of any and all lenders who may loan money on the Project and/or who are entitled to receive a preliminary notice.

SUCCESSORS AND ASSIGNS. All of the terms, conditions, and provisions of this Agreement shall inure to the benefit of and be binding upon Client, RRM Design Group, and their respective successors and assigns provided, however, that no assignment of this Agreement shall be made without the written consent of the parties to this Agreement.

FORCE MAJEURE. RRM Design Group is not responsible, and shall not be deemed in default, for delay caused by activities or factors beyond RRM Design Group's reasonable control, including, but not limited to, delays by reason of strikes, lockouts, work slowdowns or stoppages, accidents, acts of God, failure of Client to furnish timely information or to approve or disapprove of RRM Design Group's services promptly, or faulty performance by Client or other contractors or governmental agencies. To the extent such delays cause RRM Design Group to perform extra services, such services shall be paid for solely by Client in accordance with the terms of this Agreement.

OTHER PROVISIONS. This Agreement together with the Prime Agreement represents the entire agreement between RRM Design Group and Client and supersedes all prior negotiations, representations, or agreements,

either written or oral. This Agreement may be amended only by written instrument signed by both RRM Design Group and Client. All rights and remedies conferred under this Agreement or by any other instrument or law shall be cumulative and may be exercised singularly or concurrently. Failure by either party to enforce any contract term shall not be deemed a waiver of future enforcement of that or any other term. If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance, shall be held to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied to other persons, places and circumstances shall remain in full force and effect. Any notice, request, authorization, direction, or other communication under this Agreement shall be given in writing and delivered in person or by certified or first-class United States mail, properly addressed and stamped with the required postage to the intended recipient. The parties agree that they will execute such other instruments and documents as are or may become necessary or convenient to carry out the intent and purposes of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person, persons or entities may require. All headings in this Agreement are inserted only for convenience and ease of reference, and are not to be considered in the construction or interpretation of any provision of this Agreement. Each individual executing this Agreement on behalf of a party hereto, by his or her signature, represents that he or she maintains full authority on behalf of the applicable party to execute this Agreement, and thereby bind the applicable party to all covenants, duties and obligations contained herein. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not limitation, this Agreement shall not be construed against the party responsible for any language in this Agreement. The failure of either party, whether purposeful or otherwise, to exercise in any instance any right, power or privilege under this Agreement or under law shall not constitute a waiver of any other right, power or privilege, nor of the same right, power or privilege in any other instance. Any waiver by RRM Design Group must be in writing and signed by an authorized representative of RRM Design Group. Time is agreed to be of the essence with respect to this Agreement.

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Tenji Aquarium Designs
Immersed in Inspiration and Innovation

PROPOSAL

Morro Bay Aquarium Conceptual Design



AQUARIUM DESIGN + BUILD

Tenji West Coast Office / Showroom
26549 Carmel Rancho Blvd
Carmel, CA 93923
831-401-9551

Tenji West Coast Office / Showroom
26549 Carmel Rancho Blvd
Carmel, CA 93923
831-401-9551

commercial member | ASSOCIATION OF ZOOS & AQUARIUMS

Tenji Aquarium Designs

Immersed in Inspiration and Innovation



PROPOSAL

Morro Bay Aquarium Conceptual Design

Tenji, Inc. will participate in the development of conceptual plans for the new Morro Bay Aquarium. Tenji will work in collaboration with Central Coast Aquarium staff, local architects and other consultants in a two-day design charrette as a pre-design workshop to ensure all parties have similar vision of the project.

During the charrette the project team and staff will explore options for the general visitor experience and program, basic infrastructure requirements, live exhibit exhibits and species, and the overall master plan. The goal of the process is to rapidly develop pre-design parameters for future development and create a drawing package and narrative that sets the foundation for all future design phases.

Project Information

Name	Morro Bay Aquarium Conceptual Design
Date	March 25, 2019
Client	Central Coast Aquarium
Location	595 Embarcadero, Morro Bay, CA
Type	New Construction, 4,000 sq ft



-  **Development:** goals and messaging
-  **Planning:** space and program allocation
-  **Design:** visitor experience, theming and circulation exploration
-  **Curatorial:** species exploration and organization
-  **Tank Design:** volumetric and configuration development
-  **LSS Engineering:** seawater makeup/discharge investigation
-  **LSS Engineering:** LSS, holding and quarantine definition



AQUARIUM DESIGN + BUILD

Tenji West Coast Office / Showroom
26549 Carmel Rancho Blvd
Carmel, CA 93923
831-401-9551

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Carmel, CA 93923
831-401-9551

commercial member | ASSOCIATION OF ZOOS & AQUARIUMS

Deliverables

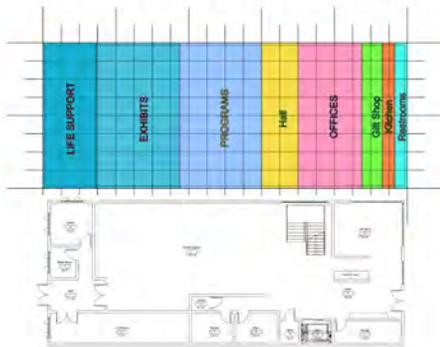
(6 weeks later, based on charrette)

Development: goals and messaging

In this initial phase “Value and Outcome” goals are established.

- What values do you want to share with visitors?
- What affective/emotional experiences do you want visitors to carry away with them?
- How do you want the audience(s) to be different as a result of their Visitor Center experience?

values
affective experience
VISION
change
appreciation
stewardship
story



Planning: space and program allocation

An in-depth analysis of how physical space is used in the building. It considers the purpose of spaces and who will use them. During planning each division of use (i.e. ticketing, restrooms, egress, exhibits, LSS, etc.) are rationed out and their location established in the most functional configuration.

Design: visitor experience, theming and circulation exploration

Audience Exploration - An exercise in establishing both general and targeted audience objectives throughout the site. Defines locations, times and specific activities for various groups. Targeted groups may include but not limited to school groups, event groups, rental groups, special learning groups and age specific groups. It further looks at scheduled activities and programs: docent presentations, feeding and dive shows, media presentations and public programs.



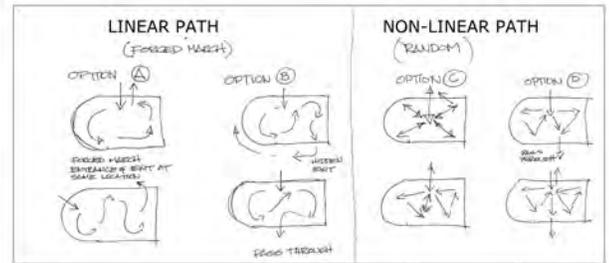
Interactive Exploration - An investigation into possible visitor interactives. These may include standalone hands-on devices, group or individual media interactions, docent-to-audience activities and/or post experiences activities.

Design: visitor experience, theming and circulation exploration

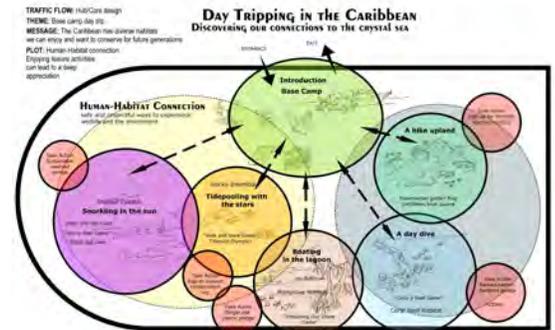
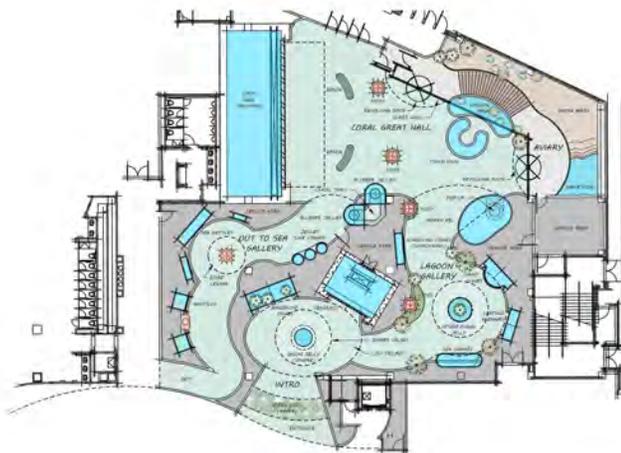
Look and Feel - A series of sketches are generated that define the "Look and Feel" of the exhibit. These sketches communicate the amount and level of theming. The sketches dictate the graphical treatment along with any audience specific goals. They illustrate the primary displays, interactives and media experiences.



Traffic Flow Study - An investigation into the possible general and targeted group movements through the exhibit and beyond. The various possible traffic flows are visualized and evaluated.



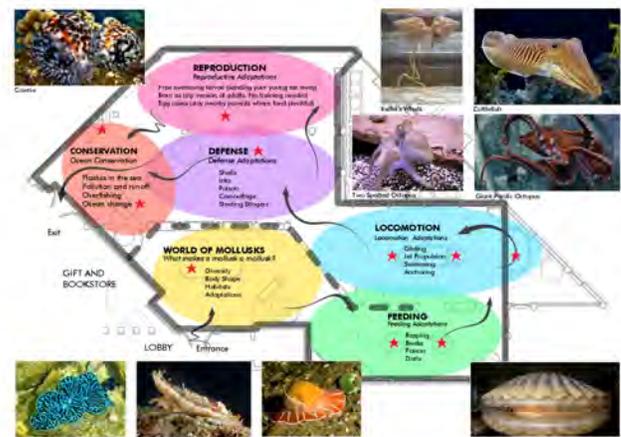
Bubble Diagram - These diagrams combine the content headings, activity density and description, main display locations and traffic flow. These diagrams provide a visual record of future development.



Concept Design Documentation - Concept drawing including, but not limited to: plans, elevations and preliminary Look and Feel sketches. This is the foundation for all general Schematic Design Phase.

Curatorial: species exploration and organization

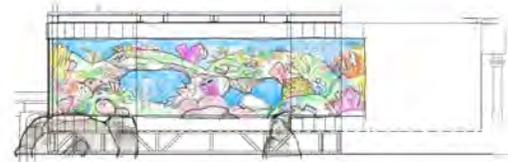
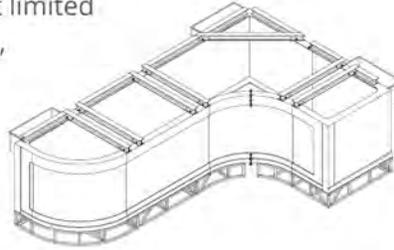
Species Research, Evaluation and Selection - A master list of possible species, identifying targeted species and alternates. Species are ranked according to various criteria: availability, longevity, cost, husbandry requirements, R&D requirements, interpretative impact, visual impact "Wow Factor", uniqueness and compatibility with other species.



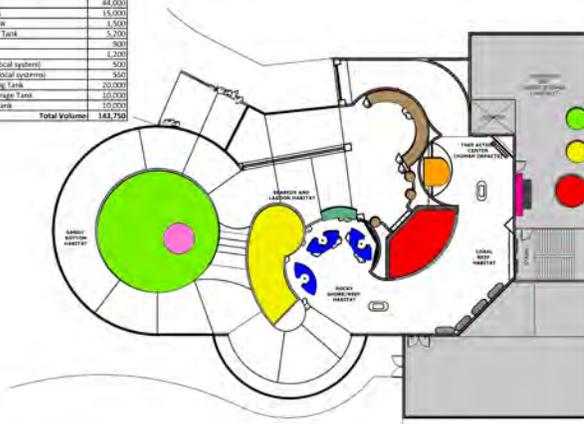


Tank Design: volume and configuration development

Preliminary Tank Design - Tanks are developed against a matrix of criteria including but limited to: target and alternate species, volume, shape, size, water movement, lighting, sightlines, construction methods, visitor experience, special features, decor, uniqueness and cost.



CODE	SYS NO	TANK AND LSS DESCRIPTION	VOLUME
01	01	General Holding and Quarantine Tanks	8,000
02	02	Shark Holding Tank	10,000
03	03	Shark and Ray Touch Tank	18,000
04	04	Crab Tank	44,000
05	05	Mangrove Tanks	15,000
06	06	Invertebrate Touch Tank	1,500
07	07	Reserve Cylinder Tank	5,000
08	08	Food Tank	900
09	09	Utility Tank	1,000
10	10	Seawater Tanks (local systems)	900
11	11	Cylinder Tanks (local systems)	560
12	12	Salt Water Storage Tanks	20,000
13	13	Fresh Water Storage Tanks	10,000
14	14	T&D Backwash Tank	10,000
Total Volume			143,760

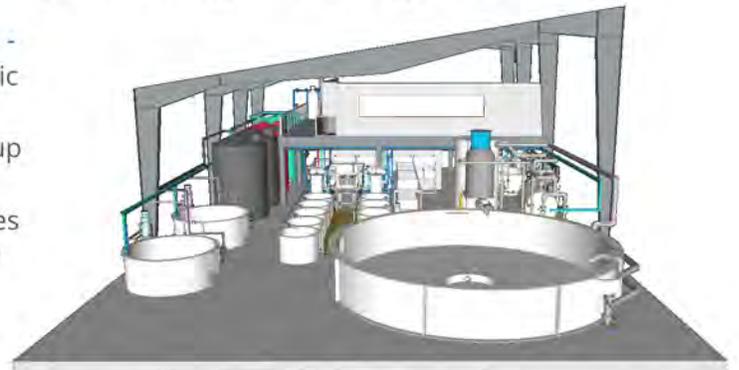


Volume Study - Individual tank volumes and weights are calculated to determine required floor loading. Total systems volumes are calculated to determine life support system requirements.



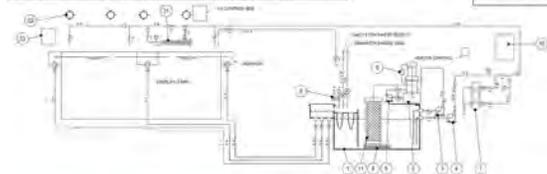
LSS Engineering: seawater makeup/discharge investigation

Seawater Makeup and Discharge Recommendation - Both marine and freshwater aquariums require periodic addition and removal of system water to maintain a healthy ecosystem. Based on the Volume Study, makeup and discharge water volumes are calculated for water changes and evaporative loss. Depending on local codes and permitting, we will make recommendation on how best to generate salt and freshwater for aquaria.



LSS Engineering: LSS, holding and quarantine definition

Eq. Name	Model	Qty	Power (kW)	Notes
1.1.1.1	1.1.1.1	1	10	10000
1.1.1.2	1.1.1.2	1	10	10000
1.1.1.3	1.1.1.3	1	10	10000
1.1.1.4	1.1.1.4	1	10	10000
1.1.1.5	1.1.1.5	1	10	10000
1.1.1.6	1.1.1.6	1	10	10000
1.1.1.7	1.1.1.7	1	10	10000
1.1.1.8	1.1.1.8	1	10	10000
1.1.1.9	1.1.1.9	1	10	10000
1.1.1.10	1.1.1.10	1	10	10000
1.1.1.11	1.1.1.11	1	10	10000
1.1.1.12	1.1.1.12	1	10	10000
1.1.1.13	1.1.1.13	1	10	10000
1.1.1.14	1.1.1.14	1	10	10000
1.1.1.15	1.1.1.15	1	10	10000
1.1.1.16	1.1.1.16	1	10	10000
1.1.1.17	1.1.1.17	1	10	10000
1.1.1.18	1.1.1.18	1	10	10000
1.1.1.19	1.1.1.19	1	10	10000
1.1.1.20	1.1.1.20	1	10	10000
1.1.1.21	1.1.1.21	1	10	10000
1.1.1.22	1.1.1.22	1	10	10000
1.1.1.23	1.1.1.23	1	10	10000
1.1.1.24	1.1.1.24	1	10	10000
1.1.1.25	1.1.1.25	1	10	10000
1.1.1.26	1.1.1.26	1	10	10000
1.1.1.27	1.1.1.27	1	10	10000
1.1.1.28	1.1.1.28	1	10	10000
1.1.1.29	1.1.1.29	1	10	10000
1.1.1.30	1.1.1.30	1	10	10000
1.1.1.31	1.1.1.31	1	10	10000
1.1.1.32	1.1.1.32	1	10	10000
1.1.1.33	1.1.1.33	1	10	10000
1.1.1.34	1.1.1.34	1	10	10000
1.1.1.35	1.1.1.35	1	10	10000
1.1.1.36	1.1.1.36	1	10	10000
1.1.1.37	1.1.1.37	1	10	10000
1.1.1.38	1.1.1.38	1	10	10000
1.1.1.39	1.1.1.39	1	10	10000
1.1.1.40	1.1.1.40	1	10	10000
1.1.1.41	1.1.1.41	1	10	10000
1.1.1.42	1.1.1.42	1	10	10000
1.1.1.43	1.1.1.43	1	10	10000
1.1.1.44	1.1.1.44	1	10	10000
1.1.1.45	1.1.1.45	1	10	10000
1.1.1.46	1.1.1.46	1	10	10000
1.1.1.47	1.1.1.47	1	10	10000
1.1.1.48	1.1.1.48	1	10	10000
1.1.1.49	1.1.1.49	1	10	10000
1.1.1.50	1.1.1.50	1	10	10000
1.1.1.51	1.1.1.51	1	10	10000
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Eq. Name	Model	Qty	Power (kW)	Notes
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1.1.1.2	1.1.1.2	1	10	10000
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1.1.1.41	1.1.1.41	1	10	10000
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1.1.1.44	1.1.1.44	1	10	10000
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1.1.1.46	1.1.1.46	1	10	10000
1.1.1.47	1.1.1.47	1	10	10000
1.1.1.48	1.1.1.48	1	10	10000
1.1.1.49	1.1.1.49	1	10	10000
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1.1.1.67	1.1.1.67	1	10	10000
1.1.1.68	1.1.1.68	1	10	10000
1.1.1.69	1.1.1.69	1	10	10000
1.1.1.70	1.1.1.70	1	10	10000
1.1.1.71	1.1.1.71	1	10	10000
1.1.1.72	1.1.1.72	1	10	10000
1.1.1.73	1.1.1.73	1	10	10000
1.1.1.74	1.1.1.74	1	10	10000
1.1.1.75	1.1.1.75	1	10	10000
1.1.1.76				

Holding and Quarantine Recommendation -

Animal holding and quarantine systems are required for even small displays. The extent of these systems is investigated and determined based on a wide array of criteria. Results from this study are incorporated into the overall LSS Planning.

Staffing Analysis and Annual Expense Projections -

Ongoing maintenance and growth of live animal displays requires staffing and expense. A schedule projecting annual cost to include, but not limited to: food (purchase, prep and culture), animal acquisition or culture, collection, salt mix, chemicals, equipment replacements, staffing requirements.

Project Management: estimating and scheduling

Cost Estimate - Cost estimate is produced on all major elements prior to end of planning to evaluate the final cost status for Value Engineering prior to the Schematic Phase.

Project Schedule - A project schedule is formulated. This guides the Schematic and Design Development process and sets the parameters for the final design phases of the project.

Design Fees

Costs for pre-design work will be **\$18,000.00** and will include

- Preparation time for the charrette
- Travel time for 2 staff (one principal and our designer)
- 2 days onsite 2 staff for design charrette
- Preparation of documents
- Rough Cost Estimate (ROM) for design and construction
- Correspondence

The above does not include travel expenses, which would be charged at cost plus 10%. These will include mileage, hotel, meals and any other travel expenses. Receipts will be provided for each expense.



Promotional Materials - In addition to quoted cost we can create fund-raising materials, including renderings, models, and digital fly-throughs. Type and quantity to be determined and priced separately.

Payment Schedule

33% down to arrange visit	\$6,000.00
33% after design charrette	\$6,000.00
33% after delivery of design package	\$6,000.00

Additional work not included in the above scope will be mutually agreed upon prior to commencement and billed at \$125.00/hour.



AQUARIUM DESIGN + BUILD

Tenji West Coast Office / Showroom
26549 Carmel Rancho Blvd
Carmel, CA 93923
831-401-9551

Tenji West Coast Office / Showroom
26549 Carmel Rancho Blvd
Carmel, CA 93923
831-401-9551





OUR MISSION

To cultivate a community dedicated to ocean stewardship through education, engagement, and action.

Morro Bay Project Activity Report: March 13 to June 18, 2019

Submitted to City of Morro Bay by Christine Johnson, Executive Director, Central Coast Aquarium

- ✓ March 13: Central Coast Aquarium (CCA) reached out to City of Morro Bay to set quarterly check-in dates following City Council meeting on March 12.
- ✓ March 15: CCA made contact with Monterey Bay Aquarium about possible partnership and received a reply that collaboration on a new aquarium in Morro Bay is not likely but a sea otter partnership could be possible in the future.
- ✓ March 21: Article appeared in The Tribune regarding a new Morro Bay Aquarium:
<https://www.sanluisobispo.com/news/local/article228193859.html>
- ✓ March 22: CCA met with Dr. Dean Wendt, CCA Board Member & Dean of Cal Poly's College of Math and Science, to discuss reaching out to marine science faculty to gather information specific to Cal Poly research and teaching that could be incorporated into a new space in Morro Bay.
- ✓ March 23: CCA added info about Morro Bay Project to CCA Website:
<http://www.centralcoastaquarium.com/index.php/morro-bay-project>
- ✓ March 25: CCA received bid for Aquarium Exhibit Concept Plan from Tenji Aquarium Design: \$18,000. Bid attached.
- ✓ April 4: CCA met with Community Foundation San Luis Obispo (CFSLO) and the Community Foundation is willing to manage the Morro Bay Aquarium capital campaign donation process as needed. Management includes: receiving donations directly, safeguarding funds, sending acknowledgments to donors, and providing reports. This partnership between CCA/CFSLO ensures transparency and confidence in the donation process for major gifts donors. The process was used for the Cayucos Pier Capital Campaign with success. This partnership will begin after the final fundraising is complete for the Architectural and Exhibit Concept Plan which CCA has the capacity to manage internally as was done successfully for the Economic and Market Feasibility Study fundraising.

- ✓ April 9: CCA received bid for Architectural Concept Design Core and Shell from RRM Design Group: \$19,200. Bid attached.
- ✓ Note about Tenji and RRM bids: The combined bids are \$38,200, including \$1,000 estimated Tenji travel costs from Carmel, CA to Morro Bay. Working in tandem, RRM Design will be the local firm helping with shell and core architectural design while Tenji will use a “rapid design process via a charrette whose goal is to develop pre-design parameters for future development and create a drawing package and narrative that sets the foundation for all future design phases.”
- ✓ April 15: Fundraising Update for Architectural and Exhibit Concept Design Plan: \$19,300 of the total \$38,200 needed has been secured by CCA. Outreach to donors for the Concept Design Plan phase is ongoing.
- ✓ April 10 & April 17: Market Plaza Option: CCA was contacted by two of the three interested development teams to discuss the option of the Morro Bay Aquarium project becoming part of the overall development of the Market Plaza project. The developers proposed that the Aquarium would relocate from the waterfront lease site to a site on the eastside of the Embarcadero and become incorporated into the overall Market Plaza project. At this early stage of the project, CCA remains open minded to the Market Plaza option and CCA communicated this to the development teams. The Market Plaza option is only speculative at this point. CCA’s Board will have the opportunity to discuss this option and provide input at the CCA Board meeting on May 31.
- ✓ April 16: CCA has partnered with a Morro Bay based business, Rock Harbor Marketing, for a total redesign of CCA’s website in anticipation of increased communication to the public about the Morro Bay project.
- ✓ April 16: CCA met with Dr. Nikki Adams, Cal Poly Biological Sciences Professor, and leader of Communicating Ocean Science to Informal Audiences (COSIA) program at Cal Poly, to discuss opportunities with Cal Poly interns and expanding the COSIA opportunities in Morro Bay. For information about the COSIA program, see the link here:
<http://www.coseeca.net/programs/communicatingoceansciences/cosia/>
- ✓ April 19: CCA received very detailed input via a survey created by Dr. Dean Wendt and Dr. Ben Ruttenberg, (Director of Cal Poly’s Center for Coastal Marine Sciences--CCMS), asking faculty how an aquarium in Morro Bay could specifically support research, teaching, and outreach for CCMS and Cal Poly. Next step: CCA will work with Cal Poly to collate the faculty input and create a prioritized list of facilities/programs within a new Aquarium that will enhance Cal Poly’s marine science program.
- ✓ April 23 to May 31: *PROJECT PAUSE*: CCA and the City of Morro Bay took time to explore the Market Plaza Aquarium opportunity as introduced by two prospective developers. Fundraising for the concept plans was on hold until CCA had clarity on this option from CCA’s Board and for the opportunity to be presented to the City.

- ✓ May 31: CCA's Board of Directors confirmed at Board meeting that the waterfront location was CCA's preferred location for a new aquarium as opposed to the Market Plaza option based on a cost benefit analysis of the two sites. Important to note: CCA's Board remains committed to the project as outlined in the January 2019 Market and Economic Feasibility Study. If any of the Feasibility Study's assumptions about lease terms or taking on debt were to be changed, CCA would need to reconsider the project.

- ✓ June 17: Meeting held between the City of Morro Bay Aquarium Subcommittee and CCA Executive Director to inform the City that CCA's preferred location remains the waterfront location and CCA would prefer not pursue the Market Plaza Aquarium option. Based on discussion at the meeting, CCA will restart actively fundraising with the goal of building a new aquarium on the waterfront location. City of Morro Bay will write a letter of support for the project to assist CCA in fundraising.

- ✓ Scheduled Meeting, June 22: Meeting on site in Morro Bay with CCA, City of Morro Bay, Dr. Nikki Adams, Cal Poly Biological Sciences Professor, and Tom Moylan, Cal Poly Pier Facilities Operations Manager, to discuss options for Cal Poly activities in a new Morro Bay Aquarium.

- ✓ Scheduled Meeting, June 25: CCA's First Quarter Update at City of Morro Bay City Council Meeting.

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AGENDA NO: C-2

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 19, 2019
FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Adoption of Resolution Nos. 54-19 and 55-19 Authoring the Filing of Two Separate Applications with the Local Agency Formation Commission (LAFCO) to Commence proceedings for (i) a Sphere of Influence Designation and Annexation of the 27.6-acre Property the City Will be Purchasing from Tri-W, Inc. (Tri-W) for the Construction and Operation of the Water Reclamation Facility (WRF) and (ii) a Sphere of Influence Designation for the Remaining Portion of the Tri-W Property the City is not Purchasing.

RECOMMENDATION

Staff recommends the City Council adopt Resolution Nos. 54-19 and 55-19 authorizing staff to complete and submit an application to LAFCO for a sphere of influence designation for the approximately 400-acre Tri W, property near South Bay Boulevard and annexation of 27.6 acres (South Bay Site) of that property (Assessor's Parcel Number 073-101-017).

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

No additional fiscal impact is proposed within this update. All work is proceeding within the City's Fiscal Year 2018/19 budget for the WRF Project.

BACKGROUND

At its January 22, 2019 meeting, City Council approved Resolution No. 08-19 authorizing staff to complete and submit one application to the LAFCO for a sphere of influence designation for the approximately 400-acre Tri W, property near South Bay Boulevard and annexation of 27.6 acres of that property (Assessor's Parcel Number 073-101-017).

City staff and WRF Program Manager have been in discussion with LAFCO staff regarding the above. LAFCO staff has indicated a preference for the City to file two separate applications for the sphere of influence and annexation actions being sought. Based on that input, staff is presenting two Resolutions to meet LAFCO's preferred approach. Resolution No. 54-19 will authorize the filing of the combined application for a sphere of influence designation and annexation of the 27.6-acre site the City is planning on purchasing from Tri-W for the construction and operation of the WRF. Resolution No. 55-19 will authorize the filing of an application with LAFCO for a sphere of influence designation for the remainder of the approximately 372,4-acre remainder of property owned by Tri-W (Tri-W Remainder Parcel). The zoning of the Tri-W Remainder Parcel would remain as currently designated by the County General Plan and Zoning Code.

Prepared By: EC/RL Dept Review: _____
City Manager Review: SC City Attorney Review: JWP

As part of the sphere of influence process, the City and County must either enter into an agreement regarding the future uses of those sites or meet in good faith to try to reach an agreement. Based on comments from LAFCO and the County staff, the contact and discussions the City staff and consultants have had with the County staff will meet that second criteria. With that information, the sphere of influence applications can now be filed. If the Council prefers, then City staff and consultants could continue to try to reach formal agreement with the County before filing those applications. However, both the City Council and County Board of Supervisors would need to approve those agreements. Since (i) those formal agreements are not required before the filing of the sphere of influence application, (ii) to keep the project moving forward and (iii) to meet the City's obligations pursuant to the Memorandum of Understanding between the City and Tri-W for the purchase of the South Bay site (attached), staff recommend the City Council authorize the filing of the LAFCO applications as suggested by LAFCO staff and agreed to by County staff. Filing the applications now does not preclude the City and County from approving an agreement in the future.

For additional information only, prior to LAFCO approving annexation of the South Bay Site, the County and City will be required to enter into a tax sharing agreement to indicate which entity will receive part or all of the property taxes generated in the future from the South Bay Site. Since the City will be providing all the municipal services (i.e., police, fire, water, wastewater, solid waste and administrative) needed for the South Bay Site, staff anticipates the City would receive any property taxes paid. Since the City will be owning and using that property for the WRF, at this time it is not anticipated any taxes will be paid. No decision is needed on this matter at this time.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 54-19 and Resolution No. 55-19 to authorize the filing of two separate applications with LAFCO for a sphere of influence designation and annexation of the South Bay Site and a sphere of influence designation for the Tri-W Remainder Parcel.

ATTACHMENTS

1. Resolution No, 54-19
2. Resolution No. 55-19
3. Resolution No. 08-19
4. MOU with Tri-W

RESOLUTION NO. 54-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
RESCINDING RESOLUTION NO. 08-19 AND
REQUESTING THE LOCAL AGENCY FORMATION COMMISSION
TO INITIATE PROCEEDINGS FOR SPHERE OF INFLUENCE DESIGNATION
AND ANNEXATION OF TERRITORY**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay, California desires to initiate proceeding pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code (Act), for annexation of territory to the City of Morro Bay, California; and

WHEREAS, the principal reasons for the proposed sphere of influence designation and annexation is as follows:

- a. Tri W Enterprise, Inc. is the owner of that certain approximately 396.3-acre property within San Luis Obispo County and outside of the City of Morro Bay boundary lines (Property),
- b. the City of Morro Bay (City) has entered into a Memorandum of Understanding (MOU) with the Tri W Enterprise, Inc. for the acquisition of a 27.6-acre portion of the Property for the construction and operation of the City's new Water Reclamation Facility, and
- c. the City intends to use the Subdivision Map Act Exemption identified in Section 66428(a)(2) to create the 27.6-acre parcel to be annexed into the City's boundaries; and

WHEREAS, the following agency would be affected by the proposed jurisdictional changes:

Agency	Nature of Change
County of San Luis Obispo	Annexation/Sphere of Influence; and

WHEREAS, the portion of the Property proposed to be included in the City's designated Sphere of Influence and to be annexed are uninhabited, and a map and description of the boundaries of the Property and the relevant portion are attached hereto as described on the attached Legal description WRF Parcel and shown on Exhibit A both of which are incorporated herein by this reference;

WHEREAS, the proposed annexation is not subject to any terms and conditions; and

WHEREAS, the City Council of the City desires the Local Agency Formation Commission of San Luis Obispo County (LAFCO) to assume Lead Agency status responsible for compliance with the California Environmental Quality Act (CEQA) regarding the subject annexation and sphere of influence application, with the understanding, on August 14, 2018, the City Council of the City certified the Final Environmental Impact Report for the Morro Bay Water Reclamation Facility (SCH# 2016081027) (FEIR), for which notices of preparation and availability were provided to LAFCO and LAFCO provided written comments to the FEIR on May 1, 2018, to which the City responded, as required by CEQA; and

WHEREAS, pursuant to Subdivisions 56653 (a) and (b) of the Act, attached, as Exhibit B, is a plan for providing services within the portion of the Property to be annexed; and

WHEREAS, the City has determined this proposal meets the criteria for waiver of protest proceedings as set forth in Section 56663 of the Act.

THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

Section 1. Resolution No. 8-19 is hereby rescinded.

Section 2. The City Council of the City hereby adopts and approves this Resolution of Application, and hereby requests LAFCO to take proceedings for the sphere of influence designation and annexation of territory as authorized and in the manner provided by the Act.

Section 3. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of June 2019 on the following vote:

AYES:

NOES:

ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

Legal Description WRF Parcel

A portion of Parcel 2 of Parcel Map No. CO/MB 89-363 in the County of San Luis Obispo, State of California, as shown on map recorded in Book 48, at Page 13 of Parcel Maps in the Office of the San Luis Obispo County Recorder, described as follows:

Beginning at a point on the south line of said Parcel 2, distant thereon N 56°43'00" W, 93.00 feet from a 2" iron pipe at the southeast corner of said Parcel as shown on said map;

thence, leaving said south line, N 21°25'57" E, 408.00 feet;

thence N 15°10'57" E, 291.24 feet;

thence N 34°55'57" E, 195.04 feet;

thence N 0°00'57" E, 256.79 feet;

thence N 19°34'03" W, 702.95 feet;

thence S 70°25'57" W, 229.10 feet;

thence S 49°47'18" W, 698.48 feet;

thence S 6°51'42" W, 734.75 feet to the south line of said Parcel 2;

thence, along said south line, S 56°43'00" E, 879.66 feet to the Point of Beginning.

End of Description.

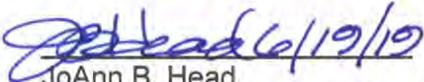

JoAnn B. Head

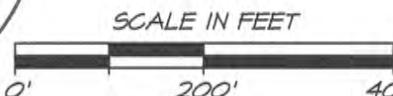


EXHIBIT "A"

PARCEL 2
(48/PM/13)
APN 073-101-017

PARCEL 1
(46/PM/15)
APN 073-121-022

WRF PARCEL



JOANN HEAD LAND SURVEYING
Post Office Box 887
Santa Margarita, CA 93453
(805) 674-1530

June, 2019

020-05 EX WRF.dwg

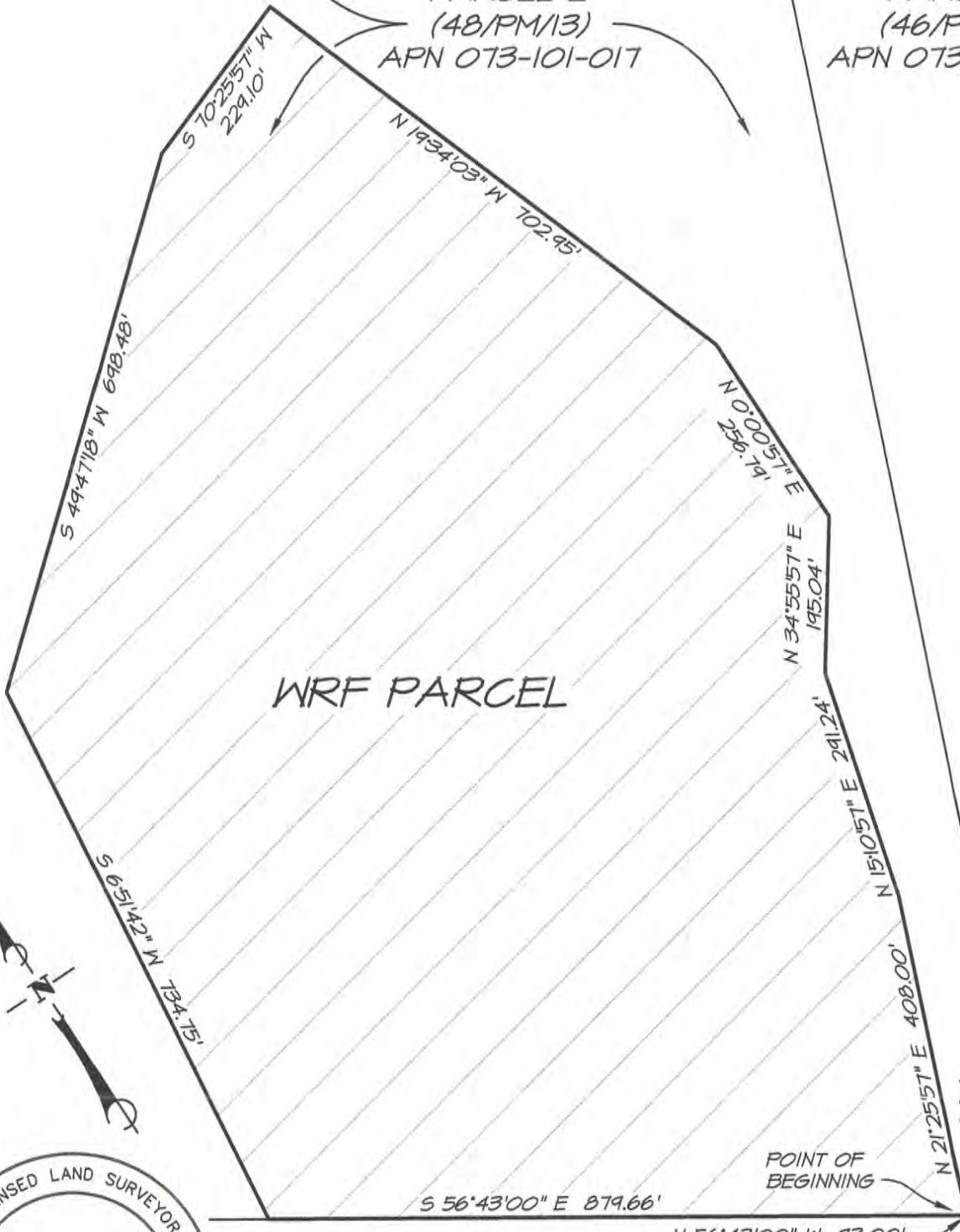


EXHIBIT B

Morro Bay Water Reclamation Facility Annexation – Plan for Services

In accordance Government Code 56653, the following Plan for Services has been prepared for the 27.6-acre portion of a parcel (APN 073-101-017) that would include the Morro Bay Water Reclamation Facility (WRF), located north of the State Route 1/South Bay Boulevard interchange, in anticipation of its annexation into the City of Morro Bay.

The sections below follow the key provisions included in Government Code 56653.

(1) Services to be extended to the affected territory.

The City will provide the full range of urban services to the annexation site including the following:

- Law Enforcement
- Fire Protection
- Municipal Services, Development Review and Code Enforcement
- Water and Wastewater
- Storm Water Facilities
- Solid Waste and Recycling
- Public Facilities Maintenance
- Traffic and Circulation

(2) The level and range of those services.

Law Enforcement

The Morro Bay Police Department (MBPD) provides law enforcement services to the City. The MBPD operates from one police station located at 850 Morro Bay Boulevard, which is approximately 1 mile west of the WRF site.

As discussed in the certified Final EIR for the WRF project, it would not significantly increase the need for public services such as fire and police protection. The new facilities would not induce population growth in the area to be serviced by the WRF that would require expanded fire or police protection facilities. Construction of the WRF project would require construction workers ranging from 20 to 30 employees for the WRF site, 15 to 20 employees for the pipeline installation, and four to eight employees for the injection wells. Operation of the WRF project would require about four new employees. However, employment opportunities associated with the construction and operation are assumed to be filled by the local workforce, and would not result in increased housing demand. Therefore, implementation of the WRF project would not require new fire or police facilities to maintain response ratios, service ratios, or other measures of performance.

The level of service provided to the annexed area will be the same as provided to the rest of the City.

Fire Protection

The Morro Bay Fire Department (MBFD) is responsible for providing fire protection and emergency services to the City of Morro Bay. The MBFD has one fully staffed fire station, Fire Station 53, and one non-staffed fire station, Fire Station 54. Fire Station 53 is the closest fire station located at 715 Harbor Street and is approximately 1.25 miles west of the WRF site. The Department has 10.5 full-time employees that work from one fire station.

The level of service provided to the annexed area will be the same as provided to the rest of the City. Please refer to the discussion under “Law Enforcement” for additional information related to long-range demand for public services.

Municipal Services, Development Review and Code Enforcement

The City of Morro Bay will provide for municipal services within the WRF site such as elections, public notices, development review, building permits and inspections, subdivision review, permitting and inspecting public improvements, and code enforcement. Morro Bay city government will coordinate with the County of San Luis Obispo with respect to any future construction projects in the County in adjacent areas. Code enforcement activities in the annexed territory will be provided by a city Community Development staff, in coordination with the MBPD and the City Attorney’s Office.

The level of service provided to the WRF site will be the same as provided to the rest of the City and will be subject to applicable service fees.

Water and Wastewater

The following discussion is a summary of the discussion included in the City’s August 2017 Municipal Services Review and within the Final EIR for the WRF project. Please refer to those documents for additional details.

Water Supply

The City of Morro Bay’s water supply can come from three sources: Morro and Chorro watersheds (groundwater), from State Water Project (SWP) and from its desalination plant.

The City has been receiving water from the SWP since 1997; and it has become the primary source of water for the City. The groundwater and desalination sources have become secondary supplies used on occasion when needed by the City. To supplement its supply, the City also contracted to receive more short-term State water from agencies that are not using their allocations.

State Water Project. Since 1997 the City’s primary source of water has been the SWP. The City entered into and executed two contracts with the San Luis Obispo County Flood Control and Water Conservation District to obtain water from the SWP. The first contract addresses the construction of facilities, such as water treatment and the Chorro Valley pipeline. The second contract covers the delivery of water from the SWP and the payment for SWP facilities. Both contracts were needed to allow the City to obtain water from the SWP.

The City's SWP entitlement is 1,313 acre-feet per year (afy), plus an additional drought buffer of 174%, which equates to a total of approximately 2,290 afy of buffer. The drought buffer helps to insure delivery of the full allocation of water from the Department of Water Resources, which may be reduced because of a drought situation. The drought buffer is an "insurance policy" for the City that increases the reliability of the SWP. For example, the City would still receive 100% of its allocation, as long as the State deliveries on a statewide basis remain at 36% or above. The table below shows the benefits of contracting for the drought buffer.

Water from the SWP is conveyed from the Coastal Branch Phase II pipeline through the Chorro Valley pipeline. The City had the foresight to upsize the pipeline from 10 to 16 inches to allow for increased deliveries that may come from other sources than just from the SWP. That capacity increase provides the City with water supply options in the future. However, increases in the City's SWP allocation are not possible due to the limited capacity of the Coastal Branch Phase II pipeline, which was sized to only deliver the existing contract allocations of 4,830 afy.

Desalination Plant. In 1992 the City was facing an emergency drought situation and constructed a seawater desalination plant. Permits to construct the facility were expedited with the condition the plant only be used during emergency drought situations. The final Environmental Impact Report (EIR) for that project evaluated the impacts of the facility for emergency and normal use of the plant. That led the Coastal Commission to approve a Local Coastal Plan Amendment that allows the City to operate the plant "as needed to ensure that the City's minimum water quality standards are met, as routine replacement, and to offset drought conditions."

The plant uses reverse osmosis to desalinate seawater pumped from five wells located on land near the Morro Bay Harbor. The desalination plant is capable of producing 400 gallons per minute, which equates to 645 afy. The plant has only been used on rare occasions due to the high operating costs. The plant was operated for several months shortly after its 1992 construction, but was shut down because of the high operating costs. It was not used again until 1995, when it was used to supplement the water supply during a drought period. The plant was shut down from 1995-2002. The desalination plant is ready for operation if a supplemental water supply is needed to offset unforeseen shortages. Morro Bay's desalination plant supplements the water supply at times during SWP shutdowns and emergencies. The City was recently granted a re-permit for the desalination plant for permanent use of saltwater wells, outfall line, and appurtenant piping for temporary use by the California Coastal Commission. With the treatment upgrade in 2009, the desalination plant can serve as a reliable source of water for Morro Bay in emergencies and perhaps as a regular source of supply.

Groundwater. Prior to receiving water from the SWP, the City relied solely on the Chorro and Morro groundwater basins for its water supply. Those alluvial basins are located in the Morro and Chorro Valleys and have limited storage capacity. That means the basins can be drained after a short-term drought, as was the case in the late 1980's and early 1990's. Those basins rely on annual rainfall for recharge and replenishment which percolates into the basin and flows to the ocean. Those types of basins are similar to underground streams and are regulated by the State Water Resources Control Board (SWRCB). In 1972, the SWRCB categorized those basins as riparian underflow. The City of Morro Bay subsequently applied for appropriative water rights, which were granted by the SWRCB in 1995. The Chorro Creek must be flowing at a minimum of 1.4 cubic feet per second for the City to pump from that aquifer.

The Morro Groundwater Basin was previously unavailable to the City due to nearby methyl tertiary butyl ether (MTBE) contamination in the groundwater basin. The City began treatment for MTBE in 2002 and continued that treatment until MTBE contamination levels fell below the Regional Water Quality Control Board's (RWQCB) monitoring threshold in 2008. Since then, the MTBE levels continue to remain below the RWQCB's monitoring threshold. One of the Chorro Basin wells (Well No. 8) has been abandoned and a second Chorro Basin well (Well No. 12) is out of service due to proximity to surface water and the associated water quality concerns. The City's Ashurst well field in the Chorro Groundwater Basin (consisting of wells 9, 9A, 10, 10A, and 16) was taken out of service (per direction from the California Department of Public Health) in 2009 due to nitrate contamination in the basin. The City's groundwater source does not appear to be a reliable long-term source at this point in time.

Recycled Water. The Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) discharges about 1.1 million gallons per day (mgd) of mixed primary and secondary treated effluent and does not currently have the ability to supply Title 22 recycled water. A Comprehensive Recycled Water Study was conducted jointly by the City and Cayucos Sanitary District (CSD) in 1999 (Carollo, 1999). The City and CSD have decided to upgrade their WWTP's separately to provide tertiary treatment. Once the City's facility has been upgraded, there may be increased opportunities for the use of recycled water. The cost of a recycled water distribution system and water quality parameters may ultimately limit reuse.

The City uses an average gallons per capita daily (gpcd) water use rate, moderated by the use of the ten-year from 1995 to 2004 to normalize weather events. The ten-year average is 125 gpcd. The 2020 water use target for the City is 113 gpcd. This water use rate is used with the City's build-out population and current population to project the primary water supply and reliability reserve. The City's aggressive approach to water conservation during drought years produces significant results in a relatively short period of time. The City reduced the gpcd down even further in 2015 to 95 gpcd.

New Recycled Water Supply from the WRF. Recycled water produced during operation of the operation of the WRF project would be used for onsite landscape irrigation and the majority of the process water needs, thereby further offsetting the operational water demand of the WRF project. Operation of the WRF project would enable the use of 650 to 825 afy of advanced treated recycled water for indirect potable reuse, thereby enhancing water supplies in the project area and providing increased reliability with a new local renewable water supply.

Water Demand

The City completes water demand projections in order to know how much water might be needed to serve residents, businesses and other uses as growth and development occur in the City. The City's Urban Water Management Plan (UWMP) provides information and establishes policies for meeting the current water demand and for projecting future water demand. That document is a valuable water resource planning tool and was updated in 2015. The City has provided the following historic water demand calculations. Those numbers show the City's ability to conserve water when necessary. The City's highest water use year was in 1970 with an average of 193 gpcd. The City's lowest water use year was 114 gallons per person per day in the drought year of 1991. However, the City just reported a new lowest year in 2015 with a water use of 95 gpcd. In 2015, the City reported annual water use of 1,074 acre-feet.

Water Demand from the WRF. Water needs during construction of the WRF would be relatively minor and temporary. Construction of all of the proposed facilities would require approximately 22 afy (4.2 afy for the lift station and associated pipelines, 2.6 afy for wells and the recycled water pipelines, and 15 afy for the WRF). Water would be used for activities including dust control and testing of hydraulic structures and pipelines.

The WRF project would require very little water to operate. The lift station, wells, recycled water distribution system, and conveyance pipelines would move water, but would be unmanned and would not generate water demand during operation. At the WRF site, the proposed Operations and Maintenance buildings would require potable water for sinks, showers, and toilet flushing, minor laboratory use, and emergency eyewash stations. The existing WWTP, which has a similar operational potable water demand to the proposed WRF facility, would be decommissioned prior to WRF facility operation. That would result in essentially a zero net increase in water demand in the service area associated with the WRF and related facilities.

Water Supply and Demand

The City's existing water supply is found adequate within its 2015 UWMP to serve the anticipated build out of its General Plan. The Supply/Safe Yield available to the City is currently estimated at 3,105 acre-feet per year. The demand in 2015 was estimated to be 1,074 acre feet per year. The City anticipated future water demand to be 1,452 acre-feet per year at build out under the existing General Plan. However, the sources have some constraints that may limit reliability.

As noted above, the WRF project would produce about 650-825 afy of advanced treated recycled water for indirect potable use, which can be added to the City's existing water supply portfolio to increase water long-term water supply reliability. Net water demand from long-term operation would be minimal, and essentially replace existing demands associated with the existing WWTP. The new recycled water supply would more than offset the water demand requirements related to constructing and operating the WRF. The following table summarizes existing and projected water supply and demand in the City's service area with the inclusion of the WRF.

Table 1. Existing and Projected Water Supply and Demand Comparison - Normal Water Year (afy)

	2020	2025	2030	2035
SUPPLY				
Groundwater	1,724	1,724	1,724	1,724
Surface water	1,313	1,313	1,313	1,313
Recycled water	0	650	650	650
Desalinated water	645	645	645	645
Supply Total	3,682	4,332	4,332	4,332
DEMAND				
Single Family	683	699	718	738
Multi-Family	156	159	164	168
Commercial	304	311	320	328
Institutional/Governmental	118	121	124	127
Demand Total	1,298	1,977	2,013	2,048

SOURCE: Morro Bay Urban Water Management Plan, 2016; Morro Bay WRF Final EIR, 2018.

The level of service related to water supply provided to the annexed area will be the same as provided to the rest of the City, and will improve overall service citywide through the introduction of an additional water supply (recycled water).

Wastewater

The WRF site is within the City of Morro Bay wastewater district (SLORWVG, 2014). The City jointly owns its existing wastewater treatment plant with the CSD. The City supplies wastewater collection services to approximately 13,300 people in both communities and has an average daily wastewater collection flow of 1.089 million gallons per day. The plant satisfies secondary treatment requirements for all constituents except suspended solids and biochemical oxygen demand during extreme wet weather events.

The existing wastewater collection system within the City is made of a network of roughly 60 miles of gravity pipeline, 2.5 miles of force-main, 3 wastewater-pumping stations, and approximately 1,116 manholes, lampholes and clean-outs.

The proposed WRF facility is intended to provide opportunities for the City to produce and beneficially reuse advanced treated recycled water and would meet or exceed all recycled water treatment requirements of Titles 17 and 22 of the California Code of Regulations. Once operational, the WRF would provide tertiary treatment and advanced treatment of wastewater, thereby exceeding the secondary treatment requirements mandated by the RWQCB and allowing the discontinuance of the Section 301(h) modified NPDES permit. Therefore, beneficial impacts would result during project operation with regard to the compliance with wastewater treatment requirements.

Storm Water Facilities

The San Luis Obispo Flood Control and Water Conservation District (District) is responsible for managing, planning and maintaining drainage and flood control facilities in unincorporated County areas where no agency has assumed an active role in such activities. The District can also work with individual cities or communities to manage drainage and flood control facilities.

Stormwater in the City of Morro Bay is collected by storm sewer infrastructure installed throughout the City, including storm drains, culverts municipal storm sewer pipelines, private or highway storm sewer pipelines, and open channels. The Morro Bay Public Works Department is responsible for storm drain maintenance. The Engineering Division of the Morro Bay Public Works Department is responsible for ensuring that storm drainage is designed and constructed in a manner consistent with City and other applicable codes and standards.

As described in Impact 3.9-4 in *Chapter 3.9, Hydrology and Water Quality*, of the Final EIR for the WRF project, the WRF would not generate stormwater runoff during its construction or operation that would exceed the capacity of existing stormwater drainage systems. The WRF project would be required under the NPDES General Industrial Permit for WWTPs and the City's SWMP to implement design measures to control both the quality and quantity of stormwater runoff from the site. The City would be required to submit a new Notice of Intent to comply with the General Industrial Permit for the proposed new facility following completion of the proposed project. The WRF design will include drainage control features that would minimize the potential for erosion or siltation and provide the volume control to ensure that post-project flows do not exceed existing runoff volumes. The other proposed facilities, such as the lift stations, injection and monitoring wells, and pipelines, would not affect significantly stormwater runoff due to their size and/or design. As such, the WRF and related facilities would not require the construction of additional offsite stormwater drainage facilities.

Solid Waste and Recycling

The San Luis Obispo County Integrated Waste Management Authority (IWMA) is the waste agency for the City of Morro Bay and San Luis Obispo County (SLOIWMA, 2017). The two closest landfills to the proposed project site that accept construction materials are the Chicago Grade Landfill and the Cold Canyon Landfill. The Chicago Grade landfill in Templeton has a ceased operation date of 2039 and a remaining capacity of 6,022,396 cubic yards (CalRecycle, 2017a). The Cold Canyon Landfill in San Luis Obispo has a ceased operation date of 2040 and a remaining capacity of 14,500,000 cubic yards (CalRecycle, 2017b).

Construction of the WRF and related facilities would generate construction debris requiring disposal. Construction of the WRF would require disposal of approximately 26,650 cubic yards of soil that would be disposed onsite or hauled offsite to an acceptable disposal location, which may include a landfill. Project construction would occur within the County of San Luis Obispo. Although there are no County-related waste diversion requirements, WRF construction would comply with CALGreen requirements by diverting a minimum of 65 percent of construction-related waste from landfill disposal via reuse or recycling. In addition, the proposed lift stations, conveyance pipelines, and wells would be located within the City of Morro Bay, and as such,

would comply with the City of Morro Bay Construction and Demolition Debris Recycling Ordinance, which requires preparation of a recycling plan that identifies materials to be diverted from landfills via recycling and reuse. Further, the nearby Chicago Grade and Cold Canyon landfills would continue to operate until 2039 and 2040, respectively, and both have sufficient remaining capacity to accommodate waste from project construction.

During operation, the proposed lift station, conveyance pipelines, and wells would not generate solid waste. The primary solid waste associated with WRF operation would be biosolids as byproducts of wastewater treatment. After biosolids are dewatered, they would be reused by a contracted biosolids management firm. A third-party would haul the WRF biosolids to offsite facilities for composting; therefore, landfills would not be required for biosolids disposal. The WRF project would comply with federal regulations pertaining to the use and disposal of sewage sludge (40 CFR Part 503) when disposing biosolids offsite. Impacts related to compliance with all applicable solid waste regulations during project operation would be less than significant.

The WRF would also generate a minimal solid waste associated with the personal trash of WRF workers. Based on the continued operation of nearby landfills through 2039 and 2040 and their remaining capacity levels, worker waste generated during WRF operation would be accommodated. Impacts would be less than significant.

The level of service provided to the annexed territory will be the same as that provided to the remainder of the City.

Public Facilities Maintenance

The City will maintain public facilities in the annexation area for which it accepts title and maintenance responsibility, including public streets and appropriate utility infrastructure. Construction of needed improvements will be consistent with the requirements of the Final EIR for the WRF project, as further refined through the Facility Master Plan developed for the WRF project.

Traffic and Circulation

The City of Morro Bay operates and maintains a comprehensive multi-modal transportation network. The City's General Plan Circulation Element describes how the city plans to provide for the transportation of people and materials within Morro Bay with connections to county areas and beyond. While the Land Use Element describes the city's desired character and size, the Circulation Element describes how transportation will be provided in the community envisioned by the Land Use Element. Future land development in Morro Bay described in the Land Use Element is coordinated with the layout and capacity of streets as well as the location of other transportation facilities described in the Circulation Element. Transportation facilities and programs influence the character of neighborhoods, the location of specific land uses, and the overall form of the City.

The Final EIR for the WRF project analyzes the project transportation-related impacts and includes mitigation measures to address those impacts. Although no significant long-term traffic generation was identified that requires mitigation, project construction could result in short-term

disruption of certain city streets where pipelines will be laid. That Final EIR requires a Traffic Control Plan be implemented as mitigation to address this potential impact.

With proposed mitigation related to short-term construction, the City anticipates that there would be no impact to existing and future transportation services as a result of the WRF.

Other Considerations Related to Public Services

The following discusses other issues related to providing public services, especially with regard to areas where existing public services would not be affected as a result of the WRF project.

Parks and Recreation

The WRF project would not include the construction or expansion of recreational facilities nor would it directly or indirectly cause an increase in the use of existing recreational facilities. Therefore, there is no impact related to the use of existing recreational facilities or the need to create more as a result of the WRF project.

(3) Timing to extend services to the project area.

The proposed WRF is intended to improve existing City public services with respect to wastewater disposal and water supply. The WRF will come online with respect to wastewater disposal upon completion of the WRF and related pipeline and pump station infrastructure. Based on the most current project schedule, this is expected to occur by mid-2022. The timing of decommissioning of the existing WWTP will depend on the timing of the completion of CSD's wastewater treatment plant. Once both the City's and CSD's new wastewater facilities are completed and operational, the existing WWTP may be decommissioned.

The timing of the development and use of recycled water will depend on the completion of necessary pipeline infrastructure built for that purpose, as well as the related groundwater injection wells. Sufficient travel time must be allowed for injected recycled water before it may be extracted for use as a new City water supply, in accordance with state law.

All City services with respect to serving the project site, including but not limited to law enforcement, fire protection, and utilities to serve onsite employees and operations, will be available immediately, and extended to the WRF project site upon annexation.

(4) Improvements required for development.

Development related to the WRF will be constructed in a manner to be usable to the entire community to the earliest extent possible. The WRF and related pipeline and pump station infrastructure will be prioritized so the wastewater treatment function of the WRF project can come online at the earliest possible time.

New development under the WRF does not require the new or extension of existing City roadways to the site, nor the expansion of other existing infrastructure not related to water or wastewater services. However, new wastewater and recycled water conveyance pipelines, as

well as two new pump stations will be required as part of the WRF project. The location, timing and design of those facilities is planned as part of the WRF project.

(5) Financing for services.

The WRF and related facilities will be financed through a combination of funding sources. A Citywide rate increase to cover the estimated cost of the facilities was approved in 2018, and successfully withstood a potential challenge through the Proposition 218 process. The City is also pursuing low interest loans from a variety of sources including the federal Environmental Protection Agency (USEPA) and State Water Board (SWB). In the case of the USEPA, the City has qualified for a low interest loan that would cover half of the cost of the project through the WIFIA program. The City has also applied for a low interest loan to cover the remainder of the WRF project through the SWB's State Revolving Fund. Although that loan process has not been completed, the City has scored a perfect 14 of 14 based on the State's evaluation criteria. However, both the federal and state loans are contingent on moving quickly to ensure funding is available in the next fiscal cycle. If the low interest loans are approved and the funding made available, then that will potentially reduce the rate increase that had been approved in 2018, thus reducing cost to individual Morro Bay households.

RESOLUTION NO. 55-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
REQUESTING THE LOCAL AGENCY FORMATION COMMISSION
TO INITIATE PROCEEDINGS FOR SPHERE OF INFLUENCE DESIGNATION**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay, California desires to initiate proceeding pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code (Act), for annexation of territory to the City of Morro Bay, California; and

WHEREAS, the principal reasons for the proposed sphere of influence designation as follows:

- a. Tri W Enterprise, Inc. is the owner of that certain approximately 396.3-acre property within San Luis Obispo County and outside of the City of Morro Bay boundary lines (Property),
- b. the City of Morro Bay (City) has entered into a Memorandum of Understanding (MOU) with the Tri W Enterprise, Inc. for the acquisition of a 27.6-acre portion of the Property for the construction and operation of the City's new Water Reclamation Facility, and
- c. the City intends to use the Subdivision Map Act Exemption identified in Section 66428(a)(2) to create the 27.6-acre parcel to be annexed into the City's boundaries; and
- d. pursuant to the MOU, the City is processing a proposal for the approximately 368.7-acre remainder of the Property (Remainder Property) to be included in the City's Sphere of Influence;

WHEREAS, the following agency would be affected by the proposed jurisdictional changes:

Agency	Nature of Change
County of San Luis Obispo	Annexation/Sphere of Influence; and

WHEREAS, the Remainder Property proposed to be included in the City's designated Sphere of Influence is uninhabited, and a map and description of the Remainder the Property are as described on the attached Legal Description and shown on Exhibit A both of which are are incorporated herein by this reference; and

WHEREAS, the City Council of the City desires the Local Agency Formation Commission of San Luis Obispo County (LAFCO) to assume Lead Agency status responsible for compliance with the California Environmental Quality Act (CEQA) regarding the subject sphere of influence application, with the understanding, on August 14, 2018, the City Council of the City certified the Final Environmental Impact Report for the Morro Bay Water Reclamation Facility (SCH# 2016081027) (FEIR), for which notices of preparation and availability were provided to LAFCO and LAFCO provided written comments to the FEIR on May 1, 2018, to which the City responded, as required by CEQA.

THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

Section 1. City Council of the City hereby adopts and approves this Resolution of Application, and hereby requests LAFCO to take proceedings for the sphere of influence designation, as authorized and in the manner provided by the Act.

Section 2. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of June 2019 on the following vote:

AYES:

NOES:

ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

Legal Description

Parcel 2 of Parcel Map No. CO/MB 89-363 in the County of San Luis Obispo, State of California, as shown on map recorded in Book 48, at Page 13 of Parcel Maps in the Office of the San Luis Obispo County Recorder, except the following described parcel:

Beginning at a point on the south line of said Parcel 2, distant thereon N 56°43'00" W, 93.00 feet from a 2" iron pipe at the southeast corner of said Parcel as shown on said map;

thence, leaving said south line, N 21°25'57" E, 408.00 feet;

thence N 15°10'57" E, 291.24 feet;

thence N 34°55'57" E, 195.04 feet;

thence N 0°00'57" E, 256.79 feet;

thence N 19°34'03" W, 702.95 feet;

thence S 70°25'57" W, 229.10 feet;

thence S 49°47'18" W, 698.48 feet;

thence S 6°51'42" W, 734.75 feet to the south line of said Parcel 2;

thence, along said south line, S 56°43'00" E, 879.66 feet to the Point of Beginning.

End of Description.

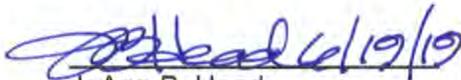
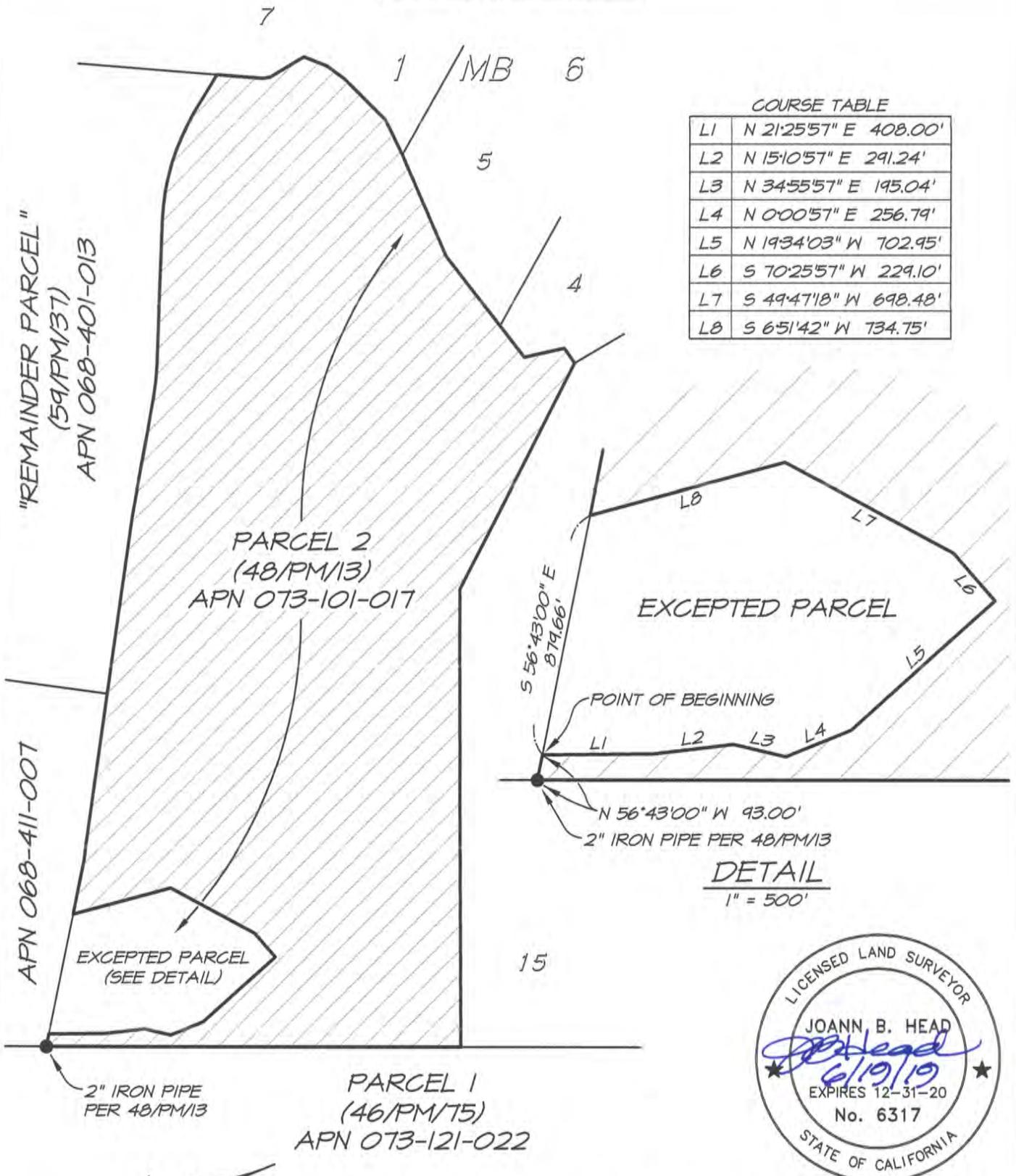

JoAnn B. Head



EXHIBIT "A"

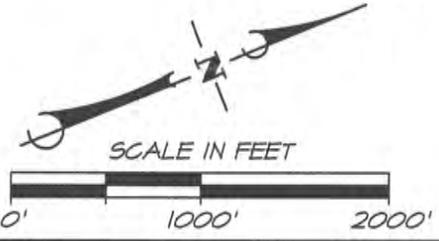
COURSE TABLE

L1	N 21°25'57" E 408.00'
L2	N 15°10'57" E 291.24'
L3	N 34°55'57" E 195.04'
L4	N 0°00'57" E 256.79'
L5	N 19°34'03" W 702.95'
L6	S 70°25'57" W 229.10'
L7	S 49°47'18" W 698.48'
L8	S 6°51'42" W 734.75'



JOANN HEAD LAND SURVEYING

Post Office Box 887
Santa Margarita, CA 93453
(805) 674-1530



June, 2019

020-05 EX WRF Parent.dwg

RESOLUTION NO. 08-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
REQUESTING THE LOCAL AGENCY FORMATION COMMISSION
TO INITIATE PROCEEDINGS FOR SPHERE OF INFLUENCE DESIGNATION
AND ANNEXATION OF TERRITORY**

**THE CITY COUNCIL
City of Morro Bay, California**

WHERE AS, the City of Morro Bay, California desires to initiate proceeding pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code (Act), for annexation of territory to the City of Morro Bay, California;

WHEREAS, at least 21 days before the adoption of this Resolution, the City Council of the City of Morro Bay (City) gave mailed notice of its intention to adopt a resolution of application to the Local Agency Formation Commission of San Luis Obispo County (LAFCO) and to each interested agency and each subject agency, as described in Section 56654 of the Act.;

WHEREAS, the principal reasons for the proposed sphere of influence designation and annexation is as follows:

- a. Tri W Enterprise, Inc. is the owner of that certain 400-acre property within San Luis Obispo County and outside of the City of Morro Bay boundary lines (Property),
- b. the City of Morro Bay (City) has entered into a Memorandum of Understanding (MOU) with the Tri W Enterprise, Inc. for the acquisition of a 27.6-acre portion of the Property for the construction and operation of the City's new Water Reclamation Facility,
- c. the City intends to use the Subdivision Map Act Exemption identified in Section 66428(a)(2) to create the 27.6-acre parcel to be annexed into the City's boundaries, and
- d. pursuant to the MOU, the City is processing a proposal for the remainder of the Property to be included in the City's Sphere of Influence;

WHEREAS, the following agency or agencies would be affected by the proposed jurisdictional changes:

<u>Agency</u>	<u>Nature of Change</u>
County of San Luis Obispo	Annexation/Sphere of Influence;

WHEREAS, the Property proposed to be included in the City's designated Sphere of Influence and the portion of the Property to be proposed to be annexed are uninhabited, and a map and description of the boundaries of the Property are attached hereto as described on Exhibit A and shown on Exhibit B and by this reference incorporated herein;

WHEREAS, the proposed annexation is not subject to any terms and conditions;

WHEREAS, the City Council of the City desires the Local Agency Formation Commission of San Luis Obispo County (LAFCO) to assume Lead Agency status responsible for compliance with the California Environmental Quality Act (CEQA) regarding the subject annexation and sphere of influence

application, with the understanding, on August 14, 2018, the City Council of the City certified the Final Environmental Impact Report for the Morro Bay Water Reclamation Facility (SCH# 2016081027) (FEIR), for which notices of preparation and availability were provided to LAFCO and LAFCO provided written comments to the FEIR on May 1, 2018, to which the City responded, as required by CEQA;

WHEREAS, pursuant to Subdivisions 56653 (a) and (b) of the Act, attached, as Exhibit C, is a plan for providing services within the portion of the Property to be annexed; and,

WHEREAS, the City has determined this proposal meets the criteria for waiver of protest proceedings as set forth in Section 56663 of the Act,

THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

Section 1. The City Council of the City hereby adopts and approves this Resolution of Application, and hereby requests LAFCO to take proceedings for the sphere of influence designation and annexation of territory as authorized and in the manner provided by the Act.

Section 2. This Resolution shall become effective immediately upon adoption.

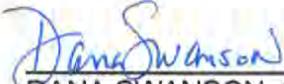
PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22nd day of January 2019 on the following vote:

AYES: Headding, Addis, Davis, McPherson
NOES: Heller
ABSENT: None



JOHN HEADDING, Mayor

ATTEST:



DANA SWANSON, City Clerk



CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

October 26, 2018

Marshall E. Ochylski,
The Law Office of Marshall E. Ochylski
Post Office Box 14327
San Luis Obispo, CA 93406-4327

Re: Notice of Intent to Exercise Option to Purchase the Property,
as defined in that certain MOU, dated October 25, 2016 (MOU)

Dear Mr. Ochylski:

Pursuant to Paragraphs 1., 2. and 3. of the MOU, this is written notice the City Council has decided to exercise its option to purchase the Property. Pursuant to Paragraph 2 of the MOU, the City has until November 1, 2018, to provide this notice.

The City looks forward to completing this purchase as soon as possible. In compliance with Paragraph 4. of the MOU, an escrow for that purchase will be opened within 30 days after the date of this notice. Pursuant to Paragraph 3. of the MOU, your client has already approved the appraiser and scope of the work for the appraisal to determine the price the City is required to pay for the Property.

Thank you for your attention to this important matter. If you have any questions, then please contact Rob Livick, Public Works Director, as 895.772.6569 or rlivick@morrobayca.gov.

Very truly yours,

Scott Collins, City Manager

c: Honorable Mayor and Council Members
Rob Livick, Public Works Director

01181.0001/516838.1

**MEMORANDUM OF UNDERSTANDING BETWEEN
TRI W ENTERPRISES, INC.
AND
THE CITY OF MORRO BAY, CALIFORNIA**

This Memorandum of Understanding (“hereinafter “this Memorandum”) is entered into this 25th day of October, 2016, by and between Tri W Enterprises, Inc., a California corporation (hereinafter “Owner”) and the City of Morro Bay, a California municipal corporation (hereinafter “City”) for the potential acquisition of certain real property as herein set forth.

RECITALS:

- A. City is undertaking a project that involves the development of a new water reclamation facility (the “WRF”) for City’s community.
- B. The development of the WRF requires the acquisition of certain real property for the plant site, disposal site, environmental mitigation area, and for other appurtenant facilities imperative to the operation
- C. A portion of the property identified as San Luis Obispo County Assessor’s Parcel Number 073-101-017, which is owned by Owner has been identified by City as one such property that is preferred for acquisition by City for use in constructing and operating the WRF.
- D. Because of the overriding public necessity for the below described property, if the parties are not able to come to a negotiated agreement for City’s purchase of the below described property, then, provided the purpose of the Option Period (as defined below) is satisfactorily completed, City would have likely commenced the public review and meeting process to consider authorizing the use of its condemnation powers to acquire the property described below.

IT IS HEREBY MUTUALLY AGREED AMONG THE PARTIES AS FOLLOWS:

- 1. OPTION. City will have the option to acquire a fee simple interest in the real property consisting of approximately 30 acres of San Luis Obispo County Assessor’s Parcel Number 073-101-017, further described in Exhibit A-1 and shown on Exhibit A-2, and all improvements thereon (collectively, hereinafter “Property”) for construction and operation of the WRF. Owner shall reserve and retain any required utility easements including, but not limited to, power, telephone, CATV. The purpose of the Option Period is to provide City with the necessary and legally required time to complete all necessary master planning and environmental assessments before it may proceed with the purchase of the Property.
- 2. OPTION PERIOD. As used in this Memorandum, the Option Period shall mean the term commencing on the effective date of this Memorandum and concluding on the forty-fifth day after the earlier of (i) the statute of limitations has run on any challenge City’s approved Environmental Impact Report for the WRF, (hereinafter “EIR”) without one being timely filed, or (ii) a timely legal challenge was filed and a final court judgment has determined the EIR is valid.

3. PURCHASE PRICE. The Purchase Price shall be determined based upon a property appraisal of all of the Property that City desires to purchase, prepared by a real estate appraiser agreed to in writing by both Owner and City, based upon a scope of appraisal work also agreed to in writing by both Owner and City. Neither City nor Owner shall unreasonably delay their written approvals of either the appraiser or the scope of work. The appraisal shall be prepared after City provides written notice to Owner of its intent to exercise its right to purchase the Property during the Option Period. City shall be responsible for all appraisal costs. Owner acknowledges and agrees, when actually paid, the Purchase Price shall be full payment to Owner for the Property and for all damages of every kind and nature, including, but not limited to, just compensation, relocation benefits, pre-condemnation activities, bonus value for any leasehold interest, including for inverse condemnation and loss of goodwill by reason of the acquisition of the Property. In recognition that the sum to be paid is in lieu of any and all loss of goodwill or relocation payments to which Owner may otherwise be entitled, Owner shall also waive any and all relocation benefits and any loss of goodwill or other payments for any and all closure or relocation.

4. OPENING OF ESCROW. If City exercises its option during the Option Period, then escrow shall be opened for that purchase within 30 days after notice from City it is exercising its option.

5. CLOSE OF ESCROW. Close of Escrow shall occur within 30 days after opening of escrow.

6. OWNER'S RIGHT OF REPURCHASE. If after the Close of Escrow City does not proceed with the construction of the WRF, then, until 45 days after City provides written notice to Owner of City's decision not to so proceed, Owner shall have the right to repurchase the land for the Purchase Price paid by City.

7. ENTRY ONTO PROPERTY. Owner grants to City and its authorized agents permission to enter the Property at all reasonable times prior to the Close of Escrow for the purposes of making inspections, tests, borings, samplings, and other such investigations as City shall deem reasonable to determine the physical condition of the Property including but not limited to the geophysical condition of the property, the biological condition of the property relative to environmental mitigation issues, and the existence of any archaeological resources. City shall pay for all related costs. City shall make available to Owner copies of all public reports in its possession including all tests, borings, samplings, any other such investigations, and appraisals by City's consultants on the Property. Prior to entering the Property, City agrees to make good-faith effort to give 48-hours' advanced notice to Marshall Ochylski, the Owner's Agent at 805-441-4466 and marshall@slollegal.com prior to commencing any borings or other physical investigations upon the Property. City agrees to indemnify and hold harmless the Owner from any and all liability resulting from City's activities upon the Property excepting when such liabilities result from the gross negligence of the Owner. City further agrees, in the event City does not acquire the Property, City shall restore any impacts from its activities thereon to their original condition.

8. ANNEXATION AND SPHERE OF INFLUENCE UPDATE. City will process an annexation proposal for the Property, as well as a proposal to modify its Sphere of Influence to include the Remainder Parcel.

9. MAINTENANCE OF ACCESS AND UTILITY EASEMENT. The Access and Utility Easement to be provided over the Remainder Parcel as shown on Exhibit A-2 will be improved and maintained by the City.

10. CITY TO CONTINUE TO SUPPLY CITY SERVICES TO ADJACENT PARCELS WITHIN CITY LIMITS. The Adjacent Parcels Within the City Limits (defined as San Luis Obispo County Assessor's Parcel Numbers APN: 068-401-012 and 068-401-013) currently have water service from City meters and City hereby agrees to continue to provide that water service at rates applied to other similar users within City.

11. RESOLUTION OF EXISTING ACCESS EASEMENTS. City will provide assistance to Owner for Owner to confirm the validity of the existing access easements adjoining both the Adjacent Parcels Within the City Limits and the Remainder Parcel and will assist Owner to assure access from the City's rights-of-way to those parcels.

12. ACCESS TO REMAINDER PARCEL. To the extent City's governmental approval is necessary for vehicular access over the Adjacent Parcels Within the City Limits to the Remainder Parcel City will assist Owner in processing any and all such approvals.

13. AVAILABILITY OF RECYCLED WATER. To the extent allowed by California law, if City treats wastewater for use as recycled water, and if City intends to provide water to agricultural users, then City agrees to provide that recycled water for agricultural uses on the Remainder Parcel at rates applied to other similar users within City.

14. REIMBURSEMENT OF LEGAL FEES. City will reimburse Owner for legal fees required to prepare and implement the Memorandum in an amount not to exceed \$5,000.00.

15. COOPERATION WITH FUNDING AGENCIES. Owner agrees to cooperate with City, at no expense to City, in complying with the property acquisition requirements imposed by governmental funding agencies that may contribute funds towards the purchase of the Property or any other aspects of the WRF. Such collaboration shall include, but not be limited to, providing access to the property for appraisals and inspections

16. CONTACT PERSON. Each party's Contact Person shall be as follows:

For Owner: Marshall E. Ochylski
Attorney at Law
979 Osos Street, Suite F7
San Luis Obispo, CA 93401
805-544-4546
marshall@slollegal.com

For City: David Buckingham
City Manager
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Either party can change its above Contact Person by written notice to the other party.

18. MISCELLANEOUS TERMS.

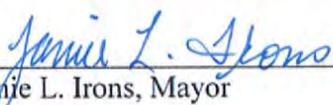
This Memorandum is intended to be an outline to assist the parties in preparing a definitive purchase agreement. This Memorandum is not intended to contractually bind either party in any way, nor shall either party be legally bound until a purchase and sale agreement, in form and content satisfactory to both parties, is fully executed. Notwithstanding the foregoing, the parties will act in good faith to implement the understandings set forth in this Memorandum and either party may bring an action for specific performance if the other party fails to do so.

This Memorandum may be executed in counterparts, each of which so executed so irrespective of the date of the execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same instrument.

Nothing in this Memorandum is intended to conflict with Federal, State of California or local laws, rules or regulations applicable to the acquisition of property by a governmental agency or determination for location, funding and construction of the WRF ("Current Rules and Regulations"). If a term of this Memorandum is inconsistent with any Current Rules and Regulations, then that term shall be invalid but the remaining terms and conditions of this shall remain in full force and effect.

This Agreement may be modified upon the mutual written consent of the parties. A modification will become effective on the date that all parties have agreed in writing to the modification.

The Effective Date of this Memorandum shall be the date it is signed by both parties.

CITY  _____ Jamie L. Irons, Mayor Date: <u>Oct 25</u> , 2016 ATTEST: <u>See next page</u>	OWNER  _____ Tri W Enterprises, Inc. By: William McInerney Its: CFO and Vice President of Finance
--	--



<p><u><i>Dana Swanson</i></u> Dana Swanson, City Clerk</p> <p>APPROVED AS TO FORM:</p> <p><u><i>J. W. Pannone</i></u> Joseph W. Pannone, City Attorney</p>	<p>Date: <u>Oct. 25</u>, 2016</p>
--	-----------------------------------

[Handwritten mark]

EXHIBIT A-1
LEGAL DESCRIPTION
[TBD]



Legal Description WRF Property Parcel

Being a portion of Parcel 2 of Parcel Map No. CO MB 89-363 in the City of Morro Bay as shown on map recorded in Book 48, at Page 13 of Parcel Maps in the Office of the San Luis Obispo County Recorder, in the State of California, described as follows:

Beginning at a point on the south line of said Parcel 2, distant thereon N 56°43'00" W, 93.00 feet from the southeast corner of said Parcel;

- 1) thence, leaving said south line, N 21°25'57" E, 405.00 feet to the beginning of a tangent curve, concave westerly, having a radius of 55.00 feet;
 - 2) thence northerly, along said curve, through a central angle of 6°15'00", 6.00 feet;
 - 3) thence N 15°10'57" E, 263.00 feet, to the beginning of a tangent curve, concave easterly, having a radius of 145.00 feet;
 - 4) thence northerly, along said curve, through a central angle of 19°45'00", 49.98 feet;
 - 5) thence N 34°55'57" E, 152.50 feet to the beginning of a tangent curve, concave westerly, having a radius of 55.00 feet;
 - 6) thence northerly, along said curve, through a central angle of 34°55'00", 33.52 feet;
 - 7) thence N 0°00'57" E, 230.00 feet to the beginning of a tangent curve, concave southwesterly, having a radius of 55.00 feet;
 - 8) thence northwesterly, along said curve, through a central angle of 19°35'00", 18.80 feet;
 - 9) thence N 19°34'03" W, 502.75 feet;
 - 10) thence N 71°15'46" E, 191.00 feet;
- thence N 22°32'32" W, 15.00 feet;
- thence N 12°25'03" W, 30.00 feet;
- thence N 19°29'39" W, 40.00 feet;
- thence N 50°56'25" W, 13.00 feet;
- thence N 64°47'41" W, 54.00 feet;
- thence N 50°09'25" W, 65.00 feet;
- thence N 59°15'13" W, 20.00 feet;
- thence S 66°13'53" W, 220.00 feet;
- thence S 47°27'38" W, 540.00 feet;

thence S 33°36'30" W, 891.37 feet to the south line of said Parcel 2;

thence, along said south line, S 56°43'00" E, 1073.93 feet to the Point of Beginning.

Legal Description Access and Utility Easement

A 60.00 foot wide strip across above described Parcel 2, lying contiguous with, and easterly of, courses one through 9 of herein above described WRF Property Parcel.

The east line of said 60.00 foot wide strip is to terminate southerly at the south line of said Parcel 2, and to terminate northwesterly at herein above described course ten.

End of Descriptions.

J. B. Head 10-12-16
JoAnn B. Head



W

EXHIBIT "A"

APN 073-101-017

PARCEL 2
CO MB 89-363
(48/PM/13)

APN
073-121-022

S 47°27'38" W 540.00'

S 66°13'53" W 220.00'

L6 L4
L5 L3 L2
L1

N 71°15'46" E
191.00'

N 19°34'03" W
502.75'

60.00' WIDE ACCESS
AND UTILITY EASEMENT

$\Delta=19°35'00"$
 $R=55.00'$ L=18.80'

N 0°00'57" E
230.00'

WRF PROPERTY
PARCEL

$\Delta=34°55'00"$
 $R=55.00'$ L=33.52'

N 34°55'57" E
152.50'

$\Delta=19°45'00"$
 $R=145.00'$ L=49.98'

N 15°10'57" E
263.00'

$\Delta=6°15'00"$
 $R=55.00'$ L=6.00'

N 21°25'57" E
405.00'

S 33°36'30" W 891.57'

S 56°43'00" E 1073.93'

N 56°43'00" W 93.00'

POINT OF
BEGINNING

LINE TABLE		
L1	N 22°32'32" W	15.00'
L2	N 12°25'03" W	30.00'
L3	N 19°29'39" W	40.00'
L4	N 50°56'25" W	13.00'
L5	N 64°47'41" W	54.00'
L6	N 50°09'25" W	65.00'
L7	N 59°15'13" W	20.00'

APN 068-411-007

JOANN HEAD LAND SURVEYING

Post Office Box 887
Santa Margarita, CA 93453
(805) 674-1530

October, 2016

020-05 ex01.dwg

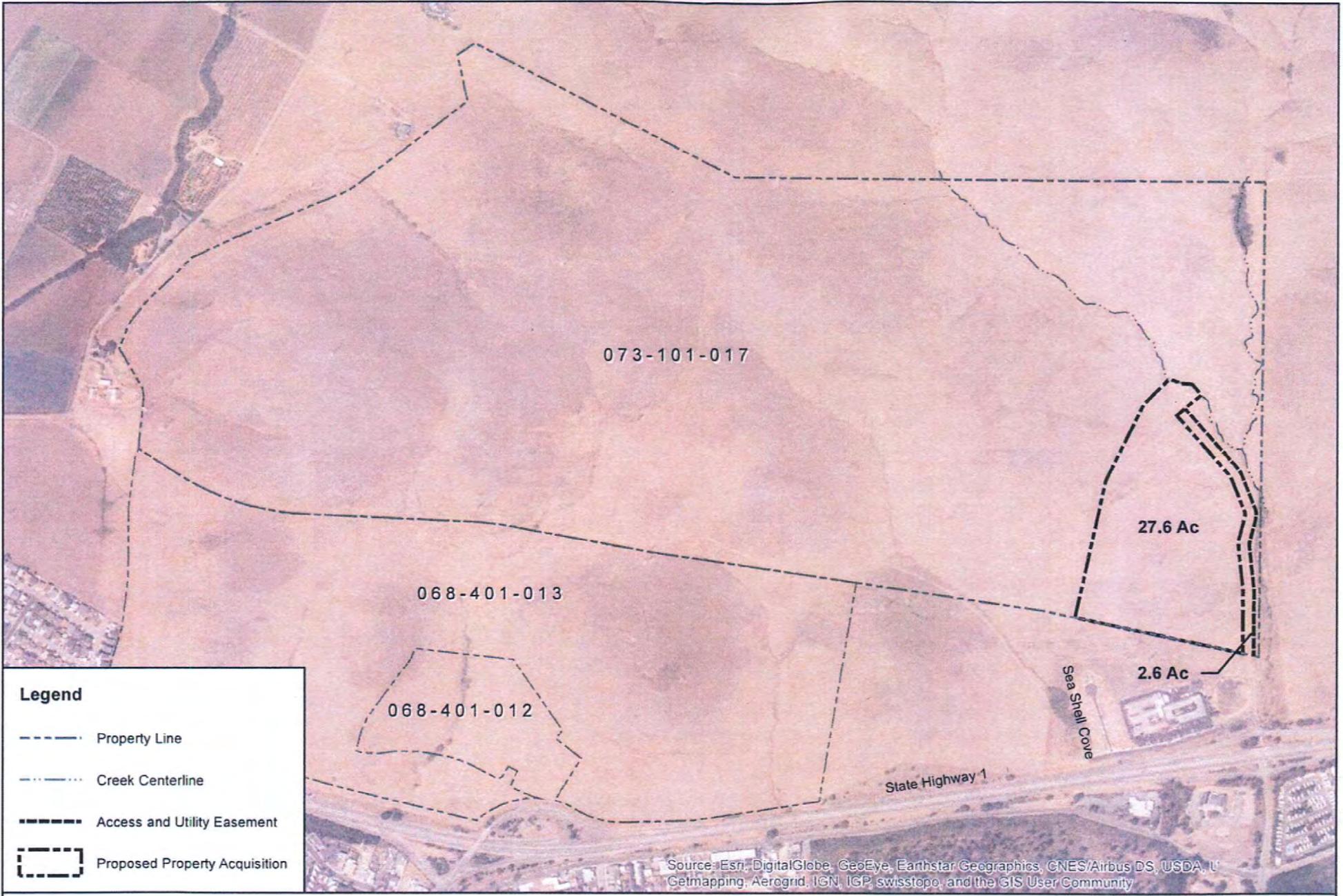
SCALE IN FEET



EXHIBIT A-2

SITE MAP

A handwritten signature or mark, possibly initials, located in the bottom right corner of the page.



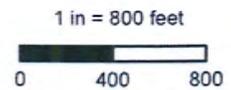
Legend

-  Property Line
-  Creek Centerline
-  Access and Utility Easement
-  Proposed Property Acquisition

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, U Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



Exhibit A-2



IN



AGENDA NO: C-3

MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 19, 2019

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Adoption of Resolution No. 56-19 Creating the Morro Bay Public Facilities Corporation Needed to Facilitate Financing of the Water Reclamation Facilities and Other Future Capital Projects

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 56-19 authorizing the creation of the Morro Bay Public Facilities Corporation.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

No additional fiscal impact is proposed within this update. All work is proceeding within the City's Fiscal Year 2018/19 budget for the WRF Project.

BACKGROUND

The City is setting-up the Morro Bay Public Facilities Corporation (Corporation) in order to facilitate the financing of the Water Reclamation Facility (WRF) Project and other capital improvements in the future such as those for the water distribution and wastewater collection systems identified in the OneWater Plan. Under the Constitution, Article XVI, Section 18, the City is generally not allowed to incur debt without a vote of the people. Due to this requirement, there is generally little authority in State law for the City to incur a loan. One of the exceptions to the Constitutional Requirement is where the City pledges a special fund like the enterprise funds (i.e., water and wastewater) to the payment of an obligation and, to the extent it defaults, only the special fund can be reached (not the general funds of the City). The City intends to accomplish the financing of the WRF by pledging certain revenues from the wastewater fund and water fund in connection with a purchase and sale of the WRF between the City and the Corporation. This type of financing is normal for enterprise assets and improvements. In order to accomplish the financings, the City will set-up the Corporation via the Articles of Incorporation and Bylaws which are the organizational documents of the Corporation. The general terms are as follows:

1. The Corporation is being set-up to facilitate financings for the City like that of the WRF.
2. The Corporation has all power permitted by law, including the power to incur debt, facilitate financings, and hire consultants. This includes the power to contract and take such other actions necessary.
3. The Corporation's officers shall be Mayor, Mayor Pro Tem, City Manager, and Finance Director of the City (as President, Vice President, Executive Director, and Treasurer). The City clerk may

Prepared By: EC/RL Dept Review: _____
 City Manager Review: SC City Attorney Review: JWP

- act as the Secretary. The Board of Directors will be the City Council.
4. The Corporation will be subject to the Brown Act.
 5. The Corporation can procure insurance for its officers and directors and will indemnify them for its acts as permitted by law.

The City has applied and is finalizing a loan agreement with the Environmental Protection Agency under the Water Infrastructure Finance and Innovation Act (WIFIA) and was recently added to the fundability list for the Clean Water State Revolving Fund program (CWSRF). These entities provide low interest rate financing for infrastructure and will participate with the City and the Corporation in future financings for the WRF.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 56-19 City authorizing the creation of the Morro Bay Public Facilities Corporation.

ATTACHMENT

1. Resolution No. 56-19

RESOLUTION NO. 56-19

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING THE FORMATION OF THE MORRO BAY PUBLIC
FACILITIES CORPORATION, APPOINTING THE BOARD OF
DIRECTORS, APPROVING BYLAWS AND CERTAIN RELATED
MATTERS.**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay (“City”) has undertaken steps to build a new wastewater reclamation facility to serve the City for many years (the “Project”); and

WHEREAS, in order to fund the Project and future capital improvements, the City desires to undertake financings with the assistance of another entity which can purchase property or incur indebtedness and take such other actions as may be necessary in connection therewith; and

WHEREAS, in order to facilitate various financings for the Project and other improvements in the City, the City desires to form a non-profit public benefit corporation organized for the purpose of assisting the City in financing the Project and other capital improvements; and

WHEREAS, the City desires to form a corporation organized under Section 501(c)(4) of the Internal Revenue Code to be designated as the “Morro Bay Public Facilities Corporation” pursuant to the Articles of Incorporation attached hereto as Exhibit A and by this reference incorporated herein (the “Articles of Incorporation”); and

WHEREAS, the City Council desires to approve the Articles of Incorporation and the initial bylaws of the Corporation; and

WHEREAS, the City Council desires to direct and authorize City staff to take such other actions necessary to form the Corporation; and

WHEREAS, the City Council desires to specify who will serve as the members of the Board of Directors of the Corporation, in addition to the ultimate structure and composition of the Board; and

WHEREAS, the City Council desires to authorize sufficient funds for filings necessary to form and initially operate the Corporation, to be reimbursed by the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORRO BAY AS FOLLOWS:

Section 1. All of the above-stated recitals are true and correct and incorporated herein by reference.

Section 2. The City Council hereby approves the formation of a Public Benefit Corporation to be known as the “Morro Bay Public Facilities Corporation.”

Section 3. The City Council hereby approves the Articles of Incorporation of the Morro Bay Public Facilities Corporation in the form attached hereto as Exhibit “A” and incorporated herein by reference, including changes and additions as agreed to by the City

Manager on behalf of the City. The City Council hereby directs the Mayor to execute the Articles as on behalf of the City, and directs the City Manager to file the Articles of Incorporation with the Secretary of State, and with other state and federal agencies, as needed.

Section 4. The City Council hereby approves the initial Bylaws of the Corporation in the form attached hereto as Exhibit "B" and incorporated herein by reference, including changes and additions as agreed to by the City Manager on behalf of the City as may be necessary or appropriate to accomplish the purposes hereof.

Section 5. The City Manager, or his or her designee, is hereby authorized and directed to do any and all tasks necessary to carry out, perform, implement, and consummate any filings with the Internal Revenue Service and State of California as may be necessary to form the Corporation and accomplish the purposes of the Corporation.

Section 6. The City Council hereby resolves that the members of the City Council shall serve as the Board of Directors of the Corporation, with new directors being seated at a meeting following the election to the City Council of new members or as provided in the Bylaws. In addition, the City Council resolves that:

- (a) The Mayor of the City of Morro Bay shall serve as President of the Board of Directors;
- (b) The Mayor Pro Tem shall serve as Vice President of the Board of Directors; and
- (c) The City Manager shall serve as Executive Director of the Corporation which shall be the Chief Executive Officer of the Corporation.

Section 7. The City Council hereby authorizes the officers of the Corporation to pay such fees as required for accomplishing the non-profit status for the Corporation and such other filings as may be necessary.

Section 8. The City Clerk is hereby authorized and directed to certify the adoption of this resolution.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 25th day of June 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

EXHIBIT A

ARTICLES OF INCORPORATION

MORRO BAY PUBLIC FACILITIES CORPORATION

ARTICLE I

The name of this Corporation is the Morro Bay Public Facilities Corporation.

ARTICLE II

(a) This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.

(b) The specific and primary purposes of this Corporation are:

1 To render financial assistance to the City of Morro Bay, a municipal corporation and political subdivision of the State of California, (herein sometimes referred to as the "City") by financing, acquiring, constructing, improving, leasing and selling land, buildings, improvements, equipment, utilities, landscaping and any other real or personal property used or useful for the public purposes of the City.

2 To acquire by lease, purchase or otherwise real or personal property or any interest therein; to construct, reconstruct, modify, add to, improve or otherwise acquire or equip land, buildings, structures, wastewater treatment plants, water reclamation facilities, water storage facilities or improvements and (by sale, lease; sublease, gift or otherwise) make any part or all of any such real or personal property available to or for the benefit of the public, the City or any one or more departments, commissions or agencies of the City.

3 To lend moneys or otherwise make financing available to the City for the acquisition, construction and improvement of land, buildings, improvements, equipment, utilities, landscaping and any other real or personal property used or useful for the public purposes of the City.

4 To borrow the necessary funds to pay the cost of financing, acquiring, constructing, replacing, establishing, improving, maintaining, equipping and operating such properties, utilities and facilities for the herein described purposes, the indebtedness for which borrowed money may, but need not, be evidenced by securities of the Corporation of any kind or character issued at any one or more times, which may be either unsecured or secured by any mortgage, trust deed, pledge, encumbrance or other lien upon any part of or all of the properties, assets, revenues and funds at any time then or thereafter owned or acquired by this Corporation.

5 To conduct its business and affairs so that the City will have a beneficial interest in the Corporation, including without limitation engaging the services of one or more consultants, attorneys, financial advisors and other persons

whose services shall be necessary or desirable in connection with the purposes authorized hereunder;

6 To receive limited or conditional gifts or grants in trust, inter vivos, or by way of testamentary devises, bequests or grants in trust, or otherwise, funds of all kinds including property, both real, personal and mixed, whether principal or income, tangible or intangible, present or future, vested or contingent, in order to carry on the purposes of the Corporation; and

7 To perform any and all acts and things and exercise any and all powers that may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State for the purpose of accomplishing any of the foregoing purposes of the Corporation.

ARTICLE III

The name and address in the State of California of this Corporation's initial agent for service of process is:

City Clerk of City of Morro Bay
Morro Bay Public Facilities Corporation
595 Harbor Street
Morro Bay, California 93442

ARTICLE IV

(a) This Corporation is organized and operated exclusively for social welfare purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code.

(b) Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by the Corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code.

ARTICLE V

The property of this Corporation is irrevocably dedicated to social welfare purposes and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

ARTICLE VI

No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for political office.

ARTICLE VII

(a) During the continuance of this Corporation, it may distribute any of its assets to the City of Morro Bay. If for any reason the City is unable or unwilling to accept the assets of the

Corporation, said assets will be distributed to the United States of America, the State of California, or any political subdivision thereof, to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax—exempt status under Section 501(c)(3) or 501(c)(4) of the internal Revenue Code of 1954, as amended.

(b) Upon the dissolution or winding up of this Corporation, its assets remaining after payment of, or provision made for the payment of, all debts and liabilities of the Corporation, shall be distributed to the City. If for any reason the City is unable or unwilling to accept the assets of the Corporation, said assets will be distributed to the United States of America, the State of California, or any political subdivision thereof, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax—exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, as amended.

Any amendment to these Articles of Incorporation shall be effective only if it is approved by the City Council of the City of Morro Bay.

IN WITNESS WHEREOF, the undersigned, has executed these Articles of Incorporation, this ____ day of July 2019.

Scott Collins, City Manager

EXHIBIT B
BYLAWS
OF
MORRO BAY PUBLIC FACILITIES CORPORATION

ARTICLE I
Offices and Seal

Section 1. Offices. The principal office of the Corporation for the transaction of business shall be 595 Harbor Street, Morro Bay, California 93442. The Board of Directors may, however, fix and change from time to time the principal office from one location to another by noting the change of address in the minutes of the meeting of the Board of Directors at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

Section 2. Seal. The Corporation may adopt or use a seal.

ARTICLE II
Directors

Section 1. Powers. Subject to the limitations of the Articles of Incorporation of the Corporation, the terms of these Bylaws, and the laws of the State of California, the powers of the Corporation shall be vested in and exercised by and its property controlled and its affairs conducted by the Board of Directors. The Corporation may exercise all powers authorized by law to achieve its purposes.

Section 2. Number. The Corporation shall have five (5) Directors. Directors are collectively to be known as the Board of Directors. The number of Directors may be changed by a Bylaw or amendment thereof duly adopted by the Board of Directors.

Section 3. Selection, Tenure of Office and Vacancies. The individuals who act as the members of the City Council of the City of Morro Bay (the "City") shall constitute the Board of Directors of the Corporation, and each member of the City Council of the City shall be and remain a member of the Board of Directors of the Corporation for so long as such member remains a member of the City Council of the City.

Section 4. Compensation. Directors shall serve without compensation but each Director may be reimbursed his or her necessary and actual expenses, including travel incident to his services as Director, pursuant to resolution of the Board of Directors. Any Director may elect, however, to decline said reimbursement.

Section 5. Organization Meetings. The Directors shall have an annual meeting on a date designated by Resolution or in the bylaws. At the annual meeting or following the election of new members to the City Council or as designated by Resolution, the Directors shall meet for the purpose of organizing the Board, the election of officers and the transaction of such business as may come before the meeting. Pending such organization meeting, all officers of the Corporation shall hold over, except any officer required by law or these Bylaws to be a Director and who does not qualify as a Director.

Section 6. Regular and Organizational Meetings. Regular meetings of the Board of Directors shall be held at such time as the Board may fix by resolution and such meetings shall, in all respects, conform to provisions of the Ralph M. Brown Act, being Sections 54950 through 54961 of the Government Code of the State of California (the "Brown Act"). Meetings may be held electronically and/or telephonically as permitted by the Brown Act.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be called, noticed and held in accordance with the Brown Act.

Section 8. Quorum. A quorum shall consist of a majority of the members of the Board of Directors unless a greater number is expressly required by statute, by the Articles of Incorporation of the Corporation, or by these Bylaws. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be the act of the Board of Directors.

Section 9. Order of Business. The order of business at the regular meeting of the Board of Directors and, so far as possible, at all other meetings of the Board of Directors, shall be essentially as follows, except as otherwise determined by the Directors at such meeting:

- (a) Report on the number of Directors present in person in order to determine the existence of a quorum.
- (b) Reading of the notice of the meeting and proof of the delivery or mailing thereof, or the waiver or waivers of notice of the meeting then filed, as the case may be.
- (c) Reading of unapproved minutes of previous meetings of the Board of Directors and the taking of action with respect to approval thereof.
- (d) Presentation and consideration of reports of officers and committees.
- (e) Election of Directors/Officers (as necessary).
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

Section 10. Resignation and Removal of Directors. Any Director of the Corporation may resign at any time by giving written notice to the President or to the Board of Directors; provided, however, in the event of such resignation, such Director's position shall remain vacant until a new member of the City Council of the City is elected to fill such Director's position. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed by the Board of Directors at any regular meeting or at any special meeting of the Board of Directors, the notice of which, among other things, indicates that the removal of one or more Directors identified therein shall be considered at such meeting by reason of such Director's commission of any act which tends to discredit the Corporation.

Section 11. Non-liability for Debts. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

Section 12. Right of Indemnity. To the fullest extent permitted by law, the Corporation shall indemnify any present or former director, officer, employee or other “agent” of the Corporation, as that term is defined in Section 5238(a) of the California Corporations Code, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this Section, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 13. Approval of Indemnity. On written request to the board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the indemnification may be authorized by the court in which such proceeding is or was pending, pursuant to Section 5238(e) of the California Corporations Code.

Section 14. Advancement of Expenses. To the fullest extent permitted by law, expenses incurred by a person seeking indemnification under Sections 5238(b) or 5238(c) of the California Corporations Code in defending any proceeding covered by those Sections shall be advanced by the Corporation upon the request of such person and upon receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 15. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, employee’s, or agent’s status as such.

ARTICLE III Officers

Section 1. Officers. The officers of the Corporation shall be a President, a Vice President, a Secretary and such other officers as the Board of Directors may appoint. When the duties do not conflict, one person, other than the President, may hold more than one of these offices. The Corporation may also have, at the discretion of the Board of Directors, one or more additional Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. In addition to such officers, the City Manager of the City shall act ex officio as the Executive Director of the Corporation, and the Finance Officer of the City shall act ex officio as the Treasurer of the Corporation.

Section 2. Election of Officers. The officers of the Corporation (other than the President, Vice President, Treasurer and the Executive Director) shall be chosen by and shall serve at the pleasure of the Board of Directors and each shall hold office until any such officer shall resign or shall be removed or otherwise disqualified to serve or any successor shall be elected and qualified to serve.

Section 3. Executive Director. The executive director shall be City Manager of the City, or his/her designee. Subject to such supervisory powers, if any, as may be given by the board

of directors to the President, and subject to the control of the board of directors, the executive director shall generally supervise, direct, and control the business and the officers of the Corporation. The executive director shall be the chief executive officer of the corporation. The executive director may designate deputies to assist him/her, as needed, and may also designate deputies to assist the secretary and the treasurer, as needed. Such deputies shall be employees of the City.

Section 4. Subordinate Officers. The Board of Directors may elect or authorize the appointment of such other officers than those hereinabove mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws, or as the Board of Directors from time to time may authorize or determine.

Section 5. Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the Directors then in office at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Directors, by any officers upon whom such power of removal may be conferred by the Board of Directors. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board of Directors may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been elected and appointed.

Section 6. President. The President shall preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or be prescribed by the Bylaws.

In the absence of the Executive Director, the President shall also be the chief corporate officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. The President shall preside at all meetings of the Board of Directors. The Mayor of the City of Morro Bay shall serve as president of the Corporation.

Section 7. Vice President. In the absence or disability of the President, the Vice President, or the Vice Presidents in order of their ranks as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as may from time to time be prescribed for them, respectively, by the Board of Directors or by these Bylaws. The Mayor-Pro-Tem of the City of Morro Bay shall serve as Vice President of the Corporation.

Section 8. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board of Directors may order, of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors of the Corporation, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws. If appointed by the Board, the City Clerk of the City may act as Secretary of the Corporation.

Section 9. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct amounts of its assets, liabilities, receipts, disbursements, gains

and losses. The books of account shall at all times be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Directors. He/She shall disburse the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the President and the Directors whenever they shall request it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation, shall take proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws. The Finance Director of the City of Morro Bay shall serve as Treasurer of the Corporation.

Section 10. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and the Assistant Treasurers in the order of their seniority as specified by the Directors shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such duties as the Board of Directors shall prescribe.

ARTICLE IV Objects and Purposes

Section 1. Nature of Objects and Purposes. The business of the Corporation is to be operated and conducted in the promotion of its objects and purposes as set forth in Article II of its Articles of Incorporation.

Section 2. Dissolution. The Corporation may be dissolved by vote of the Directors, or by the action of the Board of Directors in accordance with the provisions of California law. Upon the dissolution of the Corporation, and after payment or provision for payment, all debts and liabilities, the assets of the Corporation shall be distributed to the City. If for any reason the City is unable or unwilling to accept the assets of the Corporation, said assets will be distributed to the Federal Government; to a state or local government for public purposes; or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended.

ARTICLE V General Provisions

Section 1. Payment of Money, Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

Section 2. Execution of Contracts. The Board of Directors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 3. Fiscal Year. The fiscal year of the Corporation shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year,

provided that the initial fiscal year of the Corporation shall commence upon the existence of the Corporation and shall end on next 30th day of June.

Section 4. Annual Audit. The affairs and financial condition of the Corporation shall be audited annually at the end of each fiscal year commencing with fiscal year 2019/2020 by an independent certified public accountant selected by the Board of Directors and a written report of such audit and appropriate financial statements shall be submitted to the Board of Directors prior to the next regular meeting of the Board of Directors of the Corporation following the completion of such audit. Additional audits may be authorized as considered necessary or desirable by the Board of Directors. The Audit may be included as part of the financial statements of the City of Morro Bay.

**ARTICLE VI
Exempt Activities**

Notwithstanding any other provisions of these Bylaws, no Director, officer, employee or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended, and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

**ARTICLE VII
Amendment to Bylaws**

These Bylaws may be amended by majority vote of the Board of Directors.

ADOPTED by the Board of Directors of the Morro Bay Public Facilities Corporation on

_____.

Secretary
/s/ Secretary
Board of Directors

SECRETARY'S CERTIFICATE

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Morro Bay Public Facilities Corporation, a California nonprofit public benefit corporation; and

2. That the foregoing Bylaws constitute a full, true and correct copy of the Bylaws of said Corporation in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ___th day of ___, ___.



AGENDA NO: C-4
MEETING DATE: June 25, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 14, 2019
FROM: Scot Graham, Community Development Director
Cindy Jacinth, Senior Planner
SUBJECT: Adoption of Resolution No. 57-19 approving request for Consolidated Coastal Development Permit processing for Cayucos Sanitary District Sewer Infrastructure & Public Lot Creation.

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 57-19, approving request for consolidated coastal development permit processing for Cayucos Sanitary District and public lot creation.

ALTERNATIVE

The City Council could move to deny the request to consolidate permit processing and direct staff to proceed with local coastal development permit processing for those portions within the covered area of the City’s Local Coastal Program (LCP).

FISCAL IMPACT

None.

BACKGROUND

As part of the Cayucos Sanitary District (CSD)’s project to construct a new Water Resource Recovery Facility (WRRF), known as the Cayucos Sustainable Water Project (CSWP), the CSD is requesting the City authorize a request to the California Coastal Commission (CCC) to process a consolidated coastal development permit for portions of the CSWP that fall within the City’s certified Local Coastal Plan (LCP) boundary area. The coastal development permit involves the CSWP, the creation of public lots by CSD from land conveyed to CSD from Chevron USA, the construction of Lift Station 5 improvements, and the modification of the Chevron Load Line 2 into an outfall (Attachment 2 – Project Description). Included with the creation of public lots is a proposal to process an application with LAFCO for the detachment of Lot 6N from the City limits and annexation of Lot 6W. Lot 6W is the location of “Dog Beach,” which is a popular strand of beach west of Highway 1 currently outside City limits.

CSD CSWP Infrastructure

The CSWP project includes required sewer infrastructure improvements that are to be located inside City limits, as well as unincorporated County area. Plans which show the location of the sewer infrastructure improvements from the plant to the outfall offshore are included as Attachments 3, 4, and 5. This is in an area that includes multiple jurisdictions for coastal development permit (CDP) processing, including City, County, and original jurisdiction of the CCC.

Public Lot Creation

The CSD is also proposing to create public lots near the northern boundary of the City limit line.

Prepared By: CJ Dept Review: SG
City Manager Review: SC City Attorney Review: JWP

That will be accomplished by CSD’s proposal to purchase land from Chevron USA to create four public lots shown as Lots 6N, 6NE, 6SW, and 7N in Attachment 3. A fifth lot shown as lot 6W is anticipated to be created by the City after remediation activities have been completed on that site.

Attachment 3 includes the following maps provided by Chevron:

- Lots 6 and 7 – Existing Lots and Easements
- Proposed Public Lots
- Proposed CSD Public Lot 7N
- Proposed CSD Public Lot 6N
- Proposed CSD Public Lot 6SW
- Proposed Public Lot 6W by City of Morro Bay (Dog Beach)

Currently, Chevron USA owns Lots 6 (85.1 acres) and 7 (33.6 acres). Details regarding the APN numbers, acreage size, average slope, and land use are included in the project description provided by the CSD and shown below (Attachment 2). All existing easements will remain on those properties, and other than the Lift Station 5 improvements, no development is currently proposed on the new public lots. Those existing easements are shown in Attachment 5.

Details regarding the existing lots and the proposed new public lots are shown in Tables 2 and 3 below.

Table 2. Assessor Details on Existing Lots 6 and 7 owned by Chevron

APN	Acreage	Average Slope	Land Use	Jurisdiction
073-092-053	15.46	8%	AG/Coastal Development	County/City
073-075-008	13.56	11%	AG	County
073-075-009	0.37	22%	AG	County
073-075-010	8.47	7%	AG	County
073-075-011	0.94	5%	AG/Coastal Development	County/City
073-075-014	0.07	5%	AG	County
073-075-015	59.83	23%	AG/Coastal Development	County/City
073-075-016	6.68	5%	REC	County/City
065-022-008	17.74	10%	Open Space/Recreation and Coastal Development	City

Table 3. Proposed New CSD Public Lots

Public Lot	Owner	Acreage
6NE	CSD	7.02
6N	CSD	6.27
6SW	CSD	8.96
7N	CSD	24.38

Morro Bay Municipal Code section 16.12.0 30E exempts land conveyed to a public entity from the requirements of a parcel map, as also provided in the Subdivision Map Act.

After performing the required project work and reserving necessary easements in the public lots, it is the CSD's intention to work with a land trust to transfer the public lots west of Highway 1 to the City of Morro Bay, which will have ownership of the beach and will allow it to be used in perpetuity for recreational purposes, including the bike path planned by County Parks. The CSD intends to also transfer Lot 7N to the County to be used as recreational open space.

LAFCO

Following approval of the CDP by the CCC, the next proposed work would require an application to LAFCO to process the detachment of Lot 6N and the annexation of Lot 6W. Maps and legal description of the lots to be created are attached as Attachment 2. The LAFCO application would also include extending the City's sphere of influence (SOI) to include the first row of lots east of Panorama. Including this area into the City's SOI would be an important milestone into providing for open space preservation and ridgeline views to the east. That process would include review of relevant components by the Planning Commission and ultimate approval to submit the LAFCO application by City Council.

DISCUSSION

Per Section 30601.3 of the California Coastal Act, the CCC may process and act upon a consolidated coastal development permit application. That consolidated process is allowed if (i) the proposed project requires a CDP from both a local government with a certified local coastal program and the CCC, (ii) the applicant, the appropriate local government and the CCC, which may agree through its executive director, consent to consolidate the permit action and (iii) provided public participation is not substantially impaired by that review consolidation.

In addition, pursuant to Government Code section 66428(a)(2), land conveyed to or from a governmental agency does not require the filing of a parcel map, unless the Community Development Director determines on the basis of substantial evidence public policy necessitates filing a parcel map. That is done through issuance of a CDP that approves the legal descriptions for the proposed public lots that will ultimately be used in the transfer from Chevron Land and Development Company to the District.

The CSD has requested consolidated CDP permitting for this work. The CCC has tentatively scheduled to act on the consolidated permit in August 2019. If the Council authorizes a request for the CCC to process the coastal development permit for the described CSWP work and public lot creation, then the CCC will review and act on the proposed project.

CONCLUSION

Approval of the request to authorize the Coastal Commission to process a consolidated CDP will streamline the permit process for the CSD. Staff recommends adoption of Resolution 57-19.

ATTACHMENTS:

1. City Council Resolution No. 57-19
2. Cayucos Sanitary District Project Description dated June 11, 2019
3. Existing and Proposed Public Lots
4. Project Plans from WSC for Lift Station 5 Improvements
5. MND exhibits depicting Outfall Location & Jurisdictional Boundaries

RESOLUTION NO. 57-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING A REQUEST TO THE CALIFORNIA COASTAL
COMMISSION TO PROCESS A CONSOLIDATED COASTAL DEVELOPMENT
PERMIT FOR THE CAYUCOS SANITARY DISTRICT'S CAYUCOS SUSTAINABLE
WATER PROJECT (CSWP)**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City Council during its regularly scheduled meeting at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on June 25, 2019, considered a request by the Cayucos Sanitary District (CSD) for consolidated Coastal Development Permit processing by the California Coastal Commission for the purpose of considering the Project for the Cayucos Sustainable Water Project, which includes creation of public lots from existing Chevron lands, modifications to Lift Station 5 and construction and pipeline connections to a new ocean outfall (CSWP); and

WHEREAS, the City Council has duly considered the evaluation and recommendations by staff and information received from the applicant presented at said meeting.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay as follows:

Section 1: Findings. Based upon all the evidence, the Council makes the following findings:

Findings

- A. Per Section 30601.3 of the California Coastal Act, the Coastal Commission may process and act upon a consolidated coastal development permit application, if (i) the proposed project requires a coastal development permit from both a local government with a certified local coastal program and the Commission, (iii) the applicant, the appropriate local government and the Commission, which may agree through its executive director, consent to consolidate the permit action and (iii) provided public participation is not substantially impaired by that review consolidation.
- B. Pursuant to Government Code section 66428(a)(2), land conveyed to or from a governmental agency does not require the filing of a parcel map, unless the Community Development Director determines on the basis of substantial evidence that public policy necessitates filing a parcel map. No such determination has been made.

Section 2: Based upon all the evidence, the City Council hereby approves CSD filing for a consolidated CDP to be reviewed and issued by the Coastal Commission for the portions of the CSWP that fall within the City's certified Local Coastal Plan boundary area.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 25th day of June 2019, on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST

DANA SWANSON, City Clerk

**Cayucos Sustainable Water Project
Consolidation Request Project Description and Exhibits**

Prepared for:

**Cayucos Sanitary District
200 Ash Avenue
Cayucos, CA 93430**

and

**City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442**

Prepared by:

Water Systems Consulting June 11,2019

Attachment 2

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CONTENTS

Appendix A	Project Description
Appendix B	Figures
Appendix R	Lot Line Legal Descriptions

Attachment 2

Acronyms and Abbreviations

Acronym	Definition
AADF	Average annual daily flow
AB	Assembly Bill
APN	Assessor Parcel Number
BOD	Biological Oxygen Demand
CCC	California Coastal Commission
CDP	Coastal Development Permit
CEQA	California Environmental Quality Act
CSA 10	County Service Area 10 Water Treatment Facility
CSD	Cayucos Sanitary District
CSLC	California State Lands Commission
CSWP	Cayucos Sustainable Water Project
CZMA	Coastal Zone Management Act
DEIR	Draft Environmental Impact Report
DSV	dive support vessel
EFH	Essential Fish Habitat
EIR	Environmental Impact Report
EMT	Chevron's Estero Marine Terminal
ESHA	Environmentally Sensitive Habitat
FEIR	Final Environmental Impact Report
HDD	Horizontal Directional Drill
HDPE	High Density Polyethylene
Km	kilometer
LF	Linear feet
LL2	Load Line 2
MBCSD WWTP	Morro Bay Cayucos Sanitary District Wastewater Treatment Plant
mg/L	Milligram per liter
MGD	Million gallons per day
mi	mile
MMRP	Mitigation, Monitoring, and Reporting Program
MND	Mitigated Negative Declaration
NMFS	National Marine Fisheries Service
NPDES	National Pollutant Discharge Elimination System
PPM	parts per million
RW	Recycled Water
RWQCB	Central Coast Regional Water Quality Control Board
SAA	Streambed Alteration Agreement
SR	State Route
TPH	total petroleum hydrocarbon
TSS	Total Suspended Solids
USACE	U.S. Army Corps of Engineers
USCG	U.S. Coast Guard
USDA	U.S. Department of Agriculture
USFWS	U.S. Fish and Wildlife Service
WRRF	Water Resource Recovery Facility
WTF	Wastewater Treatment Facility

APPENDIX A
PROJECT DESCRIPTION

Attachment 2

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PROJECT DESCRIPTION
CAYUCOS SUSTAINABLE WATER PROJECT
May 30, 2019

Introduction

The proposed Project, the Cayucos Sustainable Water Project (CSWP), is construction of a new tertiary Water Resource Recovery Facility (WRRF) and related conveyance infrastructure to serve the Cayucos community. The boundary of the Cayucos Sanitary District (CSD) service area and location of the Project Site is shown in figures contained in Attachment B. The CSD is the Project Proponent and Lead CEQA Agency. The U.S. Department of Agriculture (USDA) served as Federal lead agency for a portion of the Project due to funding provided under its Rural Development Program.

The Project comprises the following components as Phase 1 of the Project:

- WRRF;
- Collection and conveyance infrastructure comprising a new influent line and new effluent lines;
- Replacement and modifications to an existing Lift Station 5;
- A new ocean outfall that will involve reuse of an existing Chevron Estero Marine Terminal (EMT) Load Line 2 (LL2) offshore pipeline; and
- Creation of Public Lots on existing Chevron property.

Chevron is a participant in this Project as the current owner of the property where the Public Lots will be created. Chevron will also utilize the same contractor and equipment mobilized for LL2 to conduct pigging and flushing activities on a second offshore pipeline, Load Line 1 (LL1) located south of LL2 as shown in exhibits in Appendix B.

An Environmental Impact Report (EIR) was prepared for the Project which originally contemplated use of an existing outfall for the Morro Bay-Cayucos Wastewater Treatment Plant (MBCSD WWTP). After certification of the EIR, it became feasible to utilize LL2 as a new ocean outfall instead. Therefore, a Subsequent Mitigated Negative Declaration (MND) was prepared for the use of LL2.

Two Project components originally contemplated in the EIR and MND will not be implemented or required at this time:

- Phase 2 of the Project involving installation of a Recycled Water (RW) line from the new facility to the town of Cayucos; and
- Replacement of a bend in LL2 on the beach, which is now determined to not be required.

The WRRF and collection and conveyance infrastructure are located outside of the coastal zone and outside the City of Morro Bay's jurisdiction. The WRRF and conveyance pipelines are permitted under San Luis Obispo's County jurisdiction and the WRRF project is currently under construction.

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The Cayucos Sanitary District is requesting that the City of Morro Bay allow for a Coastal Development Permit Consolidation involving the creation of public lots by CSD from land conveyed to CSD from Chevron described in more detail below, the construction of Lift Station 5 improvements, and the modification of the Chevron Load Line 2 into an outfall.

Project Location

The town of Cayucos is to the northwest of the Project site while the City of Morro Bay is to the south. The WRRF is located in the Toro Creek Valley on Toro Creek Road approximately 0.75 miles inland from State Route 1 in the County of San Luis Obispo. The WRRF site comprises portions of two lots: Lot 8 (APN 073-092-034), consisting of 76 acres, and Lot 10 (a portion of APN 073-092-050), consisting of 145 acres. Lot 10 is part of a Lot Line Adjustment that was recorded on in August 2016. The address of the WRRF site is 800 Toro Creek Road Morro Bay, CA 93442.

The CSWP includes infrastructure, pipelines, and appurtenances for influent, effluent, recycled water, and processed discharge water within public rights of way including Toro Creek Road and State Route (SR) 1. The upland address of the EMT is 4000 Highway 1, Morro Bay, California 93442. Onshore activities will take place roughly at the intersection of SR 1, Toro Creek, and Toro Creek Road, as well as along Toro Creek Road.

Purpose and Need

The CSD and the City of Morro Bay worked collaboratively to upgrade the treatment processes and improve the discharged water quality at the shared Morro Bay Cayucos Sanitary District Wastewater Treatment Plant (MBCSD WWTP) for nearly a decade. The purpose of the proposed upgrade to the MBCSD WWTP was to improve discharged water quality to at least full secondary treatment eliminating the need for the Clean Water Act Section 301(h) modified discharge permit based on a Settlement Agreement with the Central Coast Regional Water Quality Control Board (RWQCB).

The 2005 Settlement Agreement provided a nine- and one-half year timeline for the completion of the upgrades at the MBCSD WWTP. At their January 10, 2013 meeting, the California Coastal Commission (CCC) determined that upgrading and maintaining wastewater facilities at the location of the existing MBCSD WWTP would violate the Coastal Act, effectively mandating the abandonment of the CSD's historic wastewater treatment infrastructure. Since upgrading the existing MBCSD WWTP was no longer a viable option, the CSD Board determined at its April 30, 2015 meeting that the best way to secure the community's future water needs was the pursuit of a stand-alone WRRF by developing this Project, the CSWP. The mission of this project is to deliver a sustainable and cost-effective water resource recovery system for the community of Cayucos within the streamlined schedule necessitated by the status of the current MBCSD WWTP National Pollutant Discharge Elimination System (NPDES) permit and the RWQCB Time Settlement Order R3-2018-0019.

The Project site was selected by the CSD Board of Directors from five candidate sites as superior in meeting the Project Objectives and for environmental suitability.

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Additionally, the proposed new outfall discharges at the LL2 site will be a significant improvement over present ocean discharges from the existing MBCSD WWTP (which has only primary/secondary treatment). Due to the much higher level of treatment proposed under the CSWP, discharges from the CSWP's WRRF (tertiary treatment) are anticipated to be of superior quality to those of thereby resulting in a net benefit to marine water quality.

Water will be treated to disinfected tertiary standards and will meet anticipated NPDES Permit discharge limitation listed in Table 1 below.

Table 1. Water Quality Parameters

Parameter	Biological Oxygen Demand (BOD)	Total Suspended Solids (TSS)
Average Monthly (mg/L)	30	30
Average Weekly (mg/L)	45	45
30-Day Average Percent Removal (%)	> 85%	> 85%
Instantaneous Maximum (mg/L)	50	50
30-Day Average Percent Removal (%)	85%	85%

The WRRF will create tertiary treated non-potable water suitable for agricultural irrigation. As detailed in the Final EIR for the CSWP (see Volumes II through IV), during wet periods or when there is no demand for tertiary treated recycled water, the average annual daily flow (AADF) will be discharged to the outfall. This is anticipated to be approximately 0.385 million gallons per day. More details on projected water quality benefits of the Project are contained in the EIR for the Project (Volumes II through IV).

Project Objectives

The Project Vision, Mission, Objectives, Performance Measures, and Guiding Principles were adopted by the CSD Board of Directors in a Project Charter adopted on July 16, 2015 and are summarized as follows:

- Provide the community of Cayucos with efficient, reliable, and adaptable wastewater treatment, while producing a high-quality water supply to benefit the community.
- Enable the community to put the wastewater that is currently discharged to the ocean to beneficial use.
- Provide the community with sustainable water, ownership of facilities and local governance.
- Deliver a sustainable and cost-effective water resource recovery system for the community of Cayucos within a streamlined schedule.
- Optimize capital investment and life cycle cost.
- Maximize value for the ratepayers' investment.
- Develop a water resource recovery system that will benefit future generations.
- Obtain grants and low-interest loans to reduce the financial burden on the community.
- Identify a facility location that benefits the community of Cayucos.
- Enhance the community's long-term water supply.

Environmental Setting

Ruderal / Annual Grassland habitat and agricultural land occupy the WRRF site and areas where pipeline would be installed along Toro Creek Road, except for Toro Creek and its riparian corridor. Ruderal is used to describe those areas that have been disturbed by past land- use practices and/or recent ground disturbance and are dominated by weedy species that thrive in such conditions. Ruderal habitat also occurs in the Caltrans right of way along SR 1 and around the pipeline tie-in at the LL2 vault on the EMT property.

Toro Creek flows westerly adjacent to the north side of Toro Creek Road down to SR 1 where it crosses under the SR 1 bridge and exits to the ocean. The Toro Creek riparian corridor is vegetated with native riparian trees, shrubs, and herbaceous plant species. The alluvial plain adjacent to Toro Creek and inland of the EMT is currently farmed for grains and beans. The Toro Creek valley is formed by moderately to steeply sloping hills to the north and south. The hills surrounding the EMT and Toro Creek drainage are vegetated with grasses and scattered tree clusters, including live coast oak trees.

The riparian habitat along Toro Creek is defined as Environmentally Sensitive Habitat (ESHA) under the California Coastal Act and San Luis Obispo County's Local Coastal Plan. The mouth of Toro Creek can take different paths to the ocean over time and also may be dry during late summer/early fall months. However, the following listed species have the potential to occur in Toro Creek: tidewater goby, California red-legged frog, and South Central California Coast steelhead. Toro Creek is officially designated critical habitat for all three species under the Endangered Species Act.

Central foredune habitat and sandy beach occur in a portion of the Project area near the tie-in site to LL2, adjacent to Toro Creek. Central foredune habitat in the Project area is dominated by iceplant (*Carpobrotus edulis*) and sparsely populated by the common foredune species silver beachweed (*Ambrosia chamissonis*), mock heather (*Ericameria ericoides*), and sea rocket (*Cakile maritima*). Red sand verbena (*Abronia maritima*), a special status plant species ranked 4.2 in the California Native Plant Society's (CNPS) rare plant ranking system, has been observed in central foredune habitat in close proximity to the Project area. The species is a perennial herb that blooms from February through November; however, no individuals were observed during the survey performed on October 31, 2018. One individual of the federally endangered seablite (*Suaeda californica*) has been observed in central foredune habitat north of and near Toro Creek during surveys performed for the Morro Bay to Cayucos connector trail in 2010. The location is over 50 feet away from the Project area. Seablite is a shrub that blooms July through October. No individuals were observed in the Project area.

The EMT is located in Estero Bay, approximately 4.5 kilometers (km) (2.8 miles [mi]) north of Morro Rock. Estero Bay is a natural, open embayment encompassing approximately 29 km (18 mi) of open coastline from Point Estero in the north to Point Buchon in the south. Midway between the headlands of Point Buchon and Point Estero lies the shallow, land locked, embayment of Morro Bay. Although called a bay, Estero Bay provides little protection to the coastline from waves. The surf is often heavy, especially during the winter months when storms from the Pacific bring strong winds and waves to the ocean. The summer months are characterized by more moderate surf conditions.

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Subtidal (ocean) region of Estero Bay consists of unconsolidated, or soft, substrate and consolidated, or hard, substrate. Particles generally smaller than gravel comprise unconsolidated substrate, where species adapt to living within (i.e., infauna) and upon (i.e., epibiota) the sediments of the seafloor. There are no kelp forests or other hard substrate communities present within the offshore portion of the Project site. As with the intertidal zone, diversity and abundance of species generally decreases in areas that lack hard substrate. However, the sandy subtidal environments support communities of organisms that are adapted to, and in some cases unique to, this environment, and as such are important to marine ecosystems. The listed southern sea otter and other marine mammals have the potential to occur in the offshore portions of the Project area but are expected to only be traveling through the area if present at all during implementation of the Project.

Project Components within the City of Morro Bay's Jurisdiction

Collection and Conveyance Infrastructure

Lift Station 5 Modifications: The existing Lift Station 5 conveys sewage from the Southern terminus of the Cayucos Sanitary District to the shared MBCSD treatment plant. As a component of the CSWP, the Lift Station will be reconfigured to convey sewage to the CSWP WRRF site. Treated effluent will be conveyed from the WRRF back to Lift Station 5 for conveyance to the MBCSD plant during testing and startup. Once the WRRF's operational testing is complete, the Lift Station will only convey wastewater to the WRRF and the pumps and facilities for pumping to Morro Bay will be decommissioned.

Treated Wastewater to Outfall: From Lift Station 5 treated effluent will be conveyed by existing force mains in the Caltrans right of way, including on the SR 1 bridge over Toro Creek. Once across Toro Creek, a new 14-inch effluent pipeline segment will be constructed to tie-in to an existing vault for LL2 on the EMT property allowing the WRRF to discharge via the new outfall.

Effluent to New Outfall

LL2 is located on offshore land leased from the California State Lands Commission (CSLC) by Chevron Environmental Management Company. LL2 is a nominal 20 to 22-inch diameter pipeline that extends 3,952 feet from shore and terminates at a depth of 51 feet; the onshore portion is 22-inches in diameter. Use of LL2 as the new outfall for the CSWP would involve three steps as described in more detail below:

- Pigging and flushing of LL2;
- Installation of a 12-inch HDPE line inside of LL2; and
- Installation of diffuser at the offshore end of LL2.

As stated above, replacement of a bend in LL2 on the sandy beach was originally thought to be required, however, this portion of the project described in the Mitigated Negative Declaration (MND) for the Project (see Volume V), is no longer anticipated due to the flexibility in the HDPE material.

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Pigging and Flushing of LL2. Prior to repurposing LL2 for use as a marine outfall, it first must be pigged and flushed. LL2 currently terminates in a reducer that will be removed and replaced with a repair flange at the start of pigging and flushing activities to facilitate pigging and flushing. More details are provided under Construction Activities.

In addition, Chevron will utilize the same contractor and equipment to pig and flush LL1 located south of LL2 at the same time as LL2.

Internal HDPE. The existing LL2 will have a 12-inch diameter nominal High Density Polyethylene (HDPE) pipe pulled into it. The HDPE will be assembled onshore inside the EMT property, pulled underneath the SR 1 bridges and across the beach on rollers and towed offshore via a boat.

The HDPE pipe will be pulled offshore and then pulled back into the offshore end of LL2 and pulled through LL2 to the shore termination inside the EMT property using a winch and pull wire. More details are provided below under Construction Activities.

Diffuser. Offshore, the existing pipeline will have a 200-foot-long diffuser installed at the ocean terminus to mitigate potential outflow impacts on the marine environment associated with the effluent constituent and properties. The proposed offshore diffuser will be placed on cradles on the seabed without the need for driven piles. The diffuser will be assembled onshore, transported to the Project site via tugboat from the Morro Bay harbor, and secured by divers to the HDPE offshore terminus.

Construction Activities

Collection and Conveyance Infrastructure

Treated Wastewater to Outfall: The effluent pipeline would connect to the LL2 vault (otherwise known as a vertical riser) located in the EMT on Chevron land. The location of tie-in of the treated water disposal pipeline to the outfall pipe would occur just south of Toro Creek in an existing paved area. The length of trench and pipe to make this connection is approximately 100 feet. The construction excavation for the tie in is estimated at 3,600 square feet. The existing force main line leading to Morro Bay would be capped.

Effluent to New Outfall

Pigging and Flushing. Although LL2 was flushed in 1999 to reduce total petroleum hydrocarbon (TPH) concentrations to less than 15 parts per million (PPM), the current conditions need to be verified prior to reuse. Both LL2 and LL1 will be pigged and flushed as part of this Project to verify current conditions. The pigging and flushing will ensure that residual TPH in the water inside LL2 is lowered to levels less than 15 PPM. Analytical results confirming that the TPH levels of less than 15 PPM have been achieved will be submitted to the applicable agencies prior to the commencement of repurposing of LL2.

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Prior to the start of the pigging and flushing, the 16-inch by 20-inch reducer that exists on the offshore terminus of LL2 will be removed and replaced with a temporary 20-inch diameter repair flange to facilitate passage of 20-inch diameter pigs. The LL2 pipeline will be vacuum sealed at the terminus inside EMT to prevent the water and oil inside the pipeline from escaping from the offshore end when the reducer is removed, and the repair flange and pig launcher are attached.

In addition to vacuum sealing the LL2 pipeline at its onshore terminus, divers working from an anchored dive support vessel (DSV) will install a metal seep tent over the offshore terminus of LL2 to recover all hydrocarbons that may escape the offshore terminus during the reducer removal and repair flange and pig launcher installation. Vacuum sealing the onshore terminus and use of the seep tent at the offshore terminus are redundant precautionary measures that have been recently used in California waters to support opening of submarine pipelines containing oily water without spills.

Once the vacuum at the onshore terminus has been confirmed with a vacuum gauge, and the underwater seep tent installed over the offshore terminus, the divers will install a 4-inch pump hose to the fitting in the existing 16-inch diameter blind flange attached to the offshore terminus (16-inch by 20-inch reducer). Approximately 7,500 gallons of seawater will be pumped into the pipeline end to push back contaminated water already inside the pipeline a distance of approximately 500 feet. Water received at the onshore termination will be captured in frac tanks staged in the laydown area inside EMT. Once this initial slug of seawater has been inserted into the offshore termination, the vacuum at the onshore termination will be reestablished.

Offshore, underneath the seep tent, the 16-inch diameter blind flange will be removed, and the 20-inch diameter pipeline will be cut with a reciprocal saw just shoreward of the 16-inch by 20-inch reducer. The cut pipe end will be recovered to the surface and a 20-inch mechanical repair flange will be installed on the new 20-inch diameter offshore termination on the seafloor. The divers will then install a 20-inch diameter pig launcher on the 20-inch diameter repair flange in preparation for pigging and flushing.

Onshore, after the pig launcher has been installed on the offshore terminus, the pig receiver will be installed on the onshore terminus and connected to Chevron's onsite frac tanks for processing of the recovered wastewater. Once the pigging and flushing system is in place, a pig train consisting of three pigs and a 150-foot long 90/10 seawater/biodegradable surfactant pill (approximately 2,200 gallons in total) will be pressed through the pipeline from the offshore terminus to the onshore terminus with seawater pumped into the pig launcher by a jet pump operating from the deck of the DSV. This pigging/flushing process will be repeated at least once to ensure that TPH levels inside the pipeline are less than 15 PPM. A minimum of approximately 128,000 gallons of wastewater will be generated by the pigging and flushing process. Pigging and flushing is anticipated to take approximately 2 weeks to complete.

All wastewater will be captured in frac tanks staged in the laydown area inside EMT and treated and disposed by Chevron. Diagrams of the operation are shown in Appendix B. Chevron will discharge the treated water to the ocean through an existing Chevron outfall pipeline in compliance with the outfall's NPDES permit.

A similar procedure will be used to pig and flush LL1 and the pipeline secured on each end.

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HDPE Preparation - Onshore Activities. Approximately 4,500 feet of HDPE pipe materials will be trucked to the EMT facility and stockpiled in the designated laydown area inside the EMT prior to the start of work on LL2 or any work outside of the established EMT laydown area. The HDPE will be assembled into approximately nine 500-foot long “strings” of pipe and staged inside the EMT facility in preparation for installation. A “pull path” of portable pipe rollers (plastic rollers mounted on steel frames) will be set on the ground inside the EMT on the planned pull path alignment. In this pre-construction phase, all preparation work will be restricted to the existing laydown area inside the EMT onshore facility.

Once permits have been received, and the Project Work and Safety Plan approved by all relevant agencies, the pull path alignment will be extended outside of the EMT onshore facility, passing underneath the northbound and southbound lanes of SR 1 and across the beach to the shoreline. The pull path will follow the existing 8-inch diameter outfall pipeline from the edge of the laydown area inside the EMT onshore facility to the slope of the northbound SR 1 Toro Creek bridge abutment where it will follow the existing 8-inch outfall pipeline across the slope of this Northbound bridge abutment, under the bridge, but well removed from Toro Creek.

After passing underneath the northbound SR-1 Toro Creek bridge, the pull path alignment will turn into the existing 5-foot diameter reinforced concrete pipe (RCP) casing that passes underneath the southbound lanes of SR 1 and opens onto the beach. The pull path alignment will extend from the 5-foot RCP opening on the beach, out across the sand dunes and beach, and into the ocean. The existing 5-foot diameter RCP casing was constructed as a casing for the existing 8-inch diameter outfall pipeline and the invert of this casing is positioned approximately 8 feet higher than the creek water level. No construction is required under the bridge and portable rollers will be clamped to the top of the existing 8-inch pipeline or mounted inside the 5-foot RCP casing. The temporary installation of this pull path alignment under the northbound SR-1 Toro Creek bridge will not require workers, equipment or materials to enter the waters of Toro Creek.

Launching of HDPE Pipeline – Onshore and Offshore. The HDPE installation will begin by preparing the onshore LL2 pipeline termination inside the EMT facility. This will consist of excavating the termination riser to horizontal pipe and cutting and removing the existing vertical riser to open the horizontal pipe in preparation for back pulling the HDPE pipeline. An RB-90 winch, or equivalent, will be anchored with a deadman anchor inside the EMT facility and in front of the LL2 termination. The winch will be used to pull back the pipeline.

Offshore, at the conclusion of the pigging and flushing process, a small diameter messenger wire will be pulled through LL2 by a pig pressed through the pipeline from the offshore terminus to the onshore terminus. Once this messenger wire has been installed, offshore, a larger pull wire will be attached to offshore end of the messenger wire and pulled through the pipeline by the onshore winch. Onshore end of the larger pull wire will then be attached to the winch in preparation for back pulling the HDPE pipe through LL2.

Once the pull wire has been established through LL2, the HDPE installation sequence will begin by pulling the assembled HDPE offshore and aligning it for pull back through the 20-inch casing (re-purposed LL2). This will begin by threading the first string of HDPE through the pre-installed pipe pull alignment and out to the shoreline. Some limited hand-excavation will be required at

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the opening of the 5-foot RCP casing and through the foredunes to set the temporary pipe rollers across the beach.

One dozer will be required on the beach to serve as a temporary anchor to brake the HDPE pipeline during the pulling sequence when HDPE strings are added to the pipeline length inside laydown area of the EMT facilities. Additional heavy equipment, such as a backhoe, may also be required on the beach during the pull sequence. No excavation on the beach is anticipated.

Offshore, two tugboats will be employed to pull HDPE pipeline through the surf zone and tend it offshore. At the start of the pull sequence, once the seaward end of the HDPE pipeline has passed across the beach and reached the shoreline, a synthetic tow line will be established through the surf zone between the HDPE pipeline end and one of the tending tugboats waiting outside the surf zone. The tugboat will pull the pipeline through the surf zone and continue towing it offshore as the pipeline is assembled back in the EMT laydown area. The HDPE will float on the surface of the water. The dozer on the beach will maintain tension on the pipeline to control any horizontal catenaries that may form in the floating HDPE pipeline as a result of littoral currents during the HDPE launch.

All equipment will access the beach via a designated route (Route #2 shown in figures contained in Appendix B) over an area disturbed by iceplant and containing minimal native vegetation.

Assembly of the HDPE line segments is anticipated to require 24-hour operations for approximately 2 days. Light plants will be used for night work as necessary. All equipment and materials will be staged in designated paved areas or ruderal/annual grassland areas.

Once offshore, the HDPE line will be fed through LL2 and pulled onshore via the pullback wire and winch established onshore. Diagrams depicting this operation are included in Appendix B.

Offshore Construction Processes. Once the HDPE line has been installed, the 200-foot long diffuser will be transported to the Project area from the Morro Bay harbor via tugboat and installed. During the marine construction process, a DSV and two tugboats would be utilized to move and place materials. Crews will be shuttled to the work site as necessary via a typical crew boat or the anchor assist vessel. It is anticipated that the offshore crew will convene in Morro Bay and will be shuttled to the barge each morning that offshore activities take place. At the end of the workday, the crew will be transported back to Morro Bay. As such, crew transport will be limited to one round trip each workday. All vessel operations will be conducted in accordance with a required Marine Safety and Anchor Plan and are not expected to result in impacts to existing vessel traffic or circulation patterns. A Notice to Mariners will also be filed with the USCG to inform local mariners of the construction activities. The offshore construction is expected to take four weeks between August-September 2019, taking advantage of calmer seas during that season.

Creation of Public Lots

Under this CDP application, CSD proposes to purchase land from Chevron to create four (4) public lots shown as Lots 6N, 6NE, 6SW, and 7N in the exhibits in Appendix R. Additionally, the City of Morro Bay will approve the legal description for a fifth public lot, shown as Lot 6W (4.28 acres) in Appendix R, to eventually separate the area within the City's jurisdiction west of

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Highway 1 from the remaining Lot 6S, which is located in the County. If the legal description is approved now, Lot 6W can be conveyed once it is no longer needed for remediation and decommissioning activities. Specifically, Chevron owns Lots 6 (85.1 acres) and 7 (33.6 acres) identified in the Rancho Moro y Cayucos recorded map as shown on that certain map entitled “Map of the Subdivision of the Rancho Moro Y Cayucos” and filed in the Office of the San Luis Obispo County Recorder in Map Book “A” at Page 160. Lots 6 and 7 are both located within the boundaries of both the County of San Luis Obispo and the City of Morro Bay and comprise Assessor Parcel Numbers (APNs) 073-075-008, -009, -010, -011, -014, -015, and -016; 073-092-053; and 065-022-008 (see exhibits and Assessor Parcel maps in Appendix R).

Details regarding the existing lots and the proposed new public lots are shown in Tables 2 and 3 below.

Table 2. Assessor Details on Existing Lots 6 and 7 owned by Chevron

APN	Acreage	Average Slope	Land Use	Jurisdiction
073-092-053	15.46	8%	AG/Coastal Development	County/City
073-075-008	13.56	11%	AG	County
073-075-009	0.37	22%	AG	County
073-075-010	8.47	7%	AG	County
073-075-011	0.94	5%	AG/Coastal Development	County/City
073-075-014	0.07	5%	AG	County
073-075-015	59.83	23%	AG/Coastal Development	County/City
073-075-016	6.68	5%	REC	County/City
065-022-008	17.74	10%	Open Space/Recreation and Coastal Development	City

Table 3. Proposed New CSD Public Lots

Public Lot	Owner	Acreage
6NE	CSD	7.02
6N	CSD	6.27
6SW	CSD	8.96
7N	CSD	24.38

All existing easements across the properties will remain, including a 25-foot public access easement on the beach, and various utility and access easements. New utility easements would be formed as indicated in Appendix R exhibits. Apart from reconfiguration of Lift Station 5, no development is currently proposed on the new public lots.

CSD will request that the County approve the legal descriptions for the future creation of the public lots located in the County, pursuant to section 21.02.010 of the San Luis Obispo County Code. This section exempts land conveyed to or from a public entity from the requirements of a parcel map, unless the Planning Director determines on the basis of substantial evidence that

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public policy necessitates filing a parcel map. The process is authorized by the Subdivision Map Act (Government Code section 66428(a)(2)). The Planning Director's determination is then confirmed by the County's Subdivision Review Board. Morro Bay Municipal Code section 16.12.0 30E also exempts land conveyed to a public entity from the requirements of a parcel map as provided in the Subdivision Map Act. City Council approval of the legal descriptions for the future conveyance of the land within City boundaries to the CSD without the need for a parcel map is required. The remainder lots, Lot 6S (58.66 acres) and Lot 7S (16.21 acres) per Appendix R will be confirmed as legal lots through Certificates of Compliance from the County and retained by Chevron.

After performing the required Project work and reserving necessary easements in the public lots, it is the CSD's intention to work with a land trust to transfer the public lots west of Highway 1 to the City of Morro Bay, which will have ownership of the beach and will allow it to be used in perpetuity for recreational purposes, including the bike path planned by County Parks. The CSD intends to also transfer Lot 7N) to the County to be used as recreational open space. The CSD will retain Lot 6NE.

Summary of Project Impacts

Impacts of the CSWP on biological resources, including State and federal jurisdictional waters, sensitive species, and Environmentally Sensitive Habitat Areas (ESHA) are evaluated in the biological resource sections of the EIR and MND prepared for the Project, as well as in a Biological Resources Technical Report, Biological Assessment, and Essential Fish Habitat Assessment. A summary of impacts is included below.

Impacts to Toro Creek

There will be no adverse impacts or a substantial change to the bed, channel, or banks of Toro Creek and no effects on riparian vegetation or the riparian corridor under the CSWP.

Influent and effluent pipelines will be directionally drilled under Toro Creek adjacent to Toro Creek Road at approximately 66 feet below the bed of the deepest part of the creek. Boring pits on each side of the horizontal drilling will be well outside of the riparian area within agricultural land. Access to and from the boring pits will be directly off of Toro Creek Road through agricultural land.

At Lift Station 5, effluent will be directed through an existing force main that exists along SR 1 and along the Toro Creek Bridge. South of Toro Creek, a new effluent pipeline will be connected to the vault for LL2, however, this portion of the pipeline is outside of the bed or banks of Toro Creek.

Finally, the HDPE line will be staged on rollers on the southern bank of Toro Creek underneath the Highway 1 bridge on top of the bridge abutment and pulled offshore to sea. However, no ground disturbance will occur during this operation, and this operation can be performed without affecting the banks or any wetted portion of the mouth of the creek. A detailed survey and operational analysis have been performed to confirm the feasibility of the operation. Full time monitoring by a qualified biologist will also ensure that no adverse impacts or substantial change to the bed, banks, or channel of Toro Creek will occur.

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Impacts to Beach

The 12-inch HDPE line will be staged on rollers on the beach and then pulled offshore via a boat. One dozer and possibly an excavator will be required on the beach for a period of approximately 48 hours while the HDPE line is being assembled and then pulled offshore. The equipment is required to anchor the HDPE line to the beach as it is pulled offshore by boat, however, no grading will be performed. The dozer will access the beach via a designated route (Route #2 shown in figures contained in Appendix B) over an area disturbed by iceplant and containing minimal native vegetation.

During a biological survey performed in 2018, no rare plant species were observed on the beach along the proposed access route location. However, a biological monitor will also be present during activities on the beach to ensure that impacts to native vegetation are minimized and to confirm that no rare plants are present.

Offshore Impacts

The approximately 200-foot long 12-inch diameter diffuser will be placed on cradles on the ocean floor at the end of the 12-inch HDPE line. It was assumed that the diffuser would occupy an area of approximately 200 feet by 2 feet resulting in a permanent impact of 400 square feet or 0.009 acre of subtidal habitat within jurisdictional waters of the United States.

Recent offshore surveys performed by Longitude 123 have confirmed that the diffuser and offshore end of LL2 do not occur in eelgrass beds or kelp beds.

Installation of the diffuser would result in temporary disturbance to the seafloor of approximately the same area.

Compliance with Other Regulations

Agency Jurisdictions

The individual components of the Proposed Project are located within the jurisdictional boundaries of seven local and State agencies, including the California State Lands Commission (CSLC), California Coastal Commission (CCC), California Department of Fish and Wildlife (CDFW), California Department of Transportation (Caltrans), City of Morro Bay and the County of San Luis Obispo, and two federal agencies, the U.S. Army Corps of Engineers and the U.S. Coast Guard.

Section 7 consultation under the Endangered Species Act was completed by the USDA; a Biological Opinion was issued by the U.S. Fish and Wildlife Service (USFWS) (Appendix G) and a Concurrent Letter for a No Adverse Effect Determination was issued by the National Marine Fisheries Service (NMFS) for listed species and Essential Fish Habitat (EFH) (Appendix H).

Attachment 2

A letter issued by the California Coastal Commission (CCC) pursuant to the Coastal Zone Management Act is included in Appendix I. We are requesting that the City of Morro Bay and County of San Luis Obispo also issue Letters of Concurrence with the CCC's CDP rather than issuing their own CDPs.

Section 106 consultation with the State Historic Preservation Officer has been completed by USDA and Assembly Bill 52 consultation has been completed by CSD.

Mitigation Measures to Protect Fish, Wildlife, and Plant Resources

All measures contained in the Mitigation, Monitoring and Reporting Plans from both the Project EIR and MND shall be adhered to minimize impacts on biological resources, water quality, and other aspects of the environment. In addition, the Surface Spill and Hydrofracture Contingency Plan has been prepared for the Project. Finally, Chevron's Marine Wildlife Contingency Plan, Oil Spill Response Plan, and Contaminated Hazardous Materials and Management Plan for the offshore pipelines at the EMT shall be adhered to for this Project. With implementation of these measures and Plans, impacts on biological resources and water quality will either be avoided or will be minimized.

APPENDIX B
DRAWINGS & FIGURES

Attachment 2

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APPENDIX R

Exhibits for Creation of Public Lots and Remainder Lots

Attachment 2

LEGAL DESCRIPTION LOT 6N

Exhibit A Legal Description

That portion of the land described in Certificate of Compliances recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California, described as follows:

Beginning at a point on the westerly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 696.64 feet from the northerly terminus of the curve described as Course No. 9 (curve to the left with a radius of 4879 feet through an angle of $11^{\circ}45'32''$ for a distance of 1001.32 feet) in said grant deeds to the State of California; thence,

Leaving said westerly line, South $80^{\circ}34'29''$ West, a distance of 26.67 feet; thence,

North $73^{\circ}38'47''$ West, a distance of 36.70 feet; thence,

North $38^{\circ}30'11''$ West, a distance of 75.80 feet; thence,

North $80^{\circ}39'34''$ West, a distance of 95.21 feet; thence,

South $72^{\circ}39'00''$ West, a distance of 106.64 feet more or less to the mean high water line of Estero Bay; thence,

Northerly along said mean high water line to the intersection with the westerly prolongation of the centerline of Toro Creek Road (County Road)

Easterly along said centerline prolongation to the westerly line of the land described in said grant deeds to the State of California; thence,

Southerly along said westerly line to the Point of Beginning.

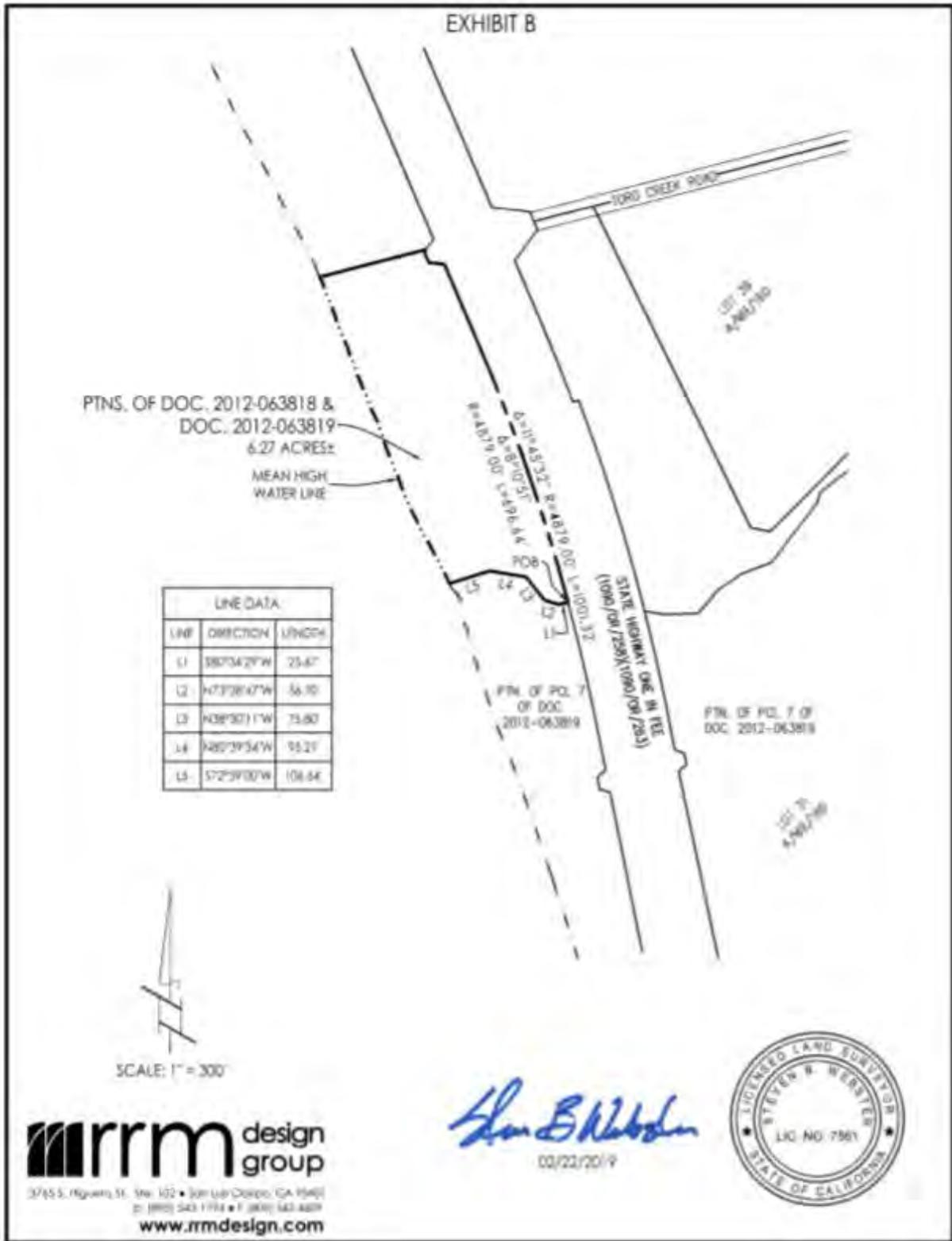
The land described contains 6.27 acres more or less and is shown graphically on Exhibit B herein attached.



2/22/19



PROPERTY AND LOT 6N



Attachment 2

LEGAL DESCRIPTION LOT 6SW

Exhibit A Legal Description

That portion of the land described in Certificate of Compliances recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California, described as follows:

Beginning at the intersection of the westerly line of the land described in the grant deed to the State of California recorded in Book 1090 at Page 258 of Official Records in the County Recorder's Office of said County (State Highway One) with the southerly line of Lot 31 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County; thence,

Northerly along said westerly line to a point being North $11^{\circ}23'26''$ West, a distance of 612.98 feet from the southerly terminus of the line described as Course No. 4 (North $11^{\circ}23'26''$ West, 817.99 feet) in said grant deed to the State of California; thence,

Leaving said westerly line, South $78^{\circ}36'34''$ West, a distance of 187.20 feet more or less to the mean high water line of Estero Bay; thence,

Southerly along said mean high water line to the southwest corner of said Lot 31; thence,

Northeasterly along the southerly line of said Lot 31 to the Point of Beginning.

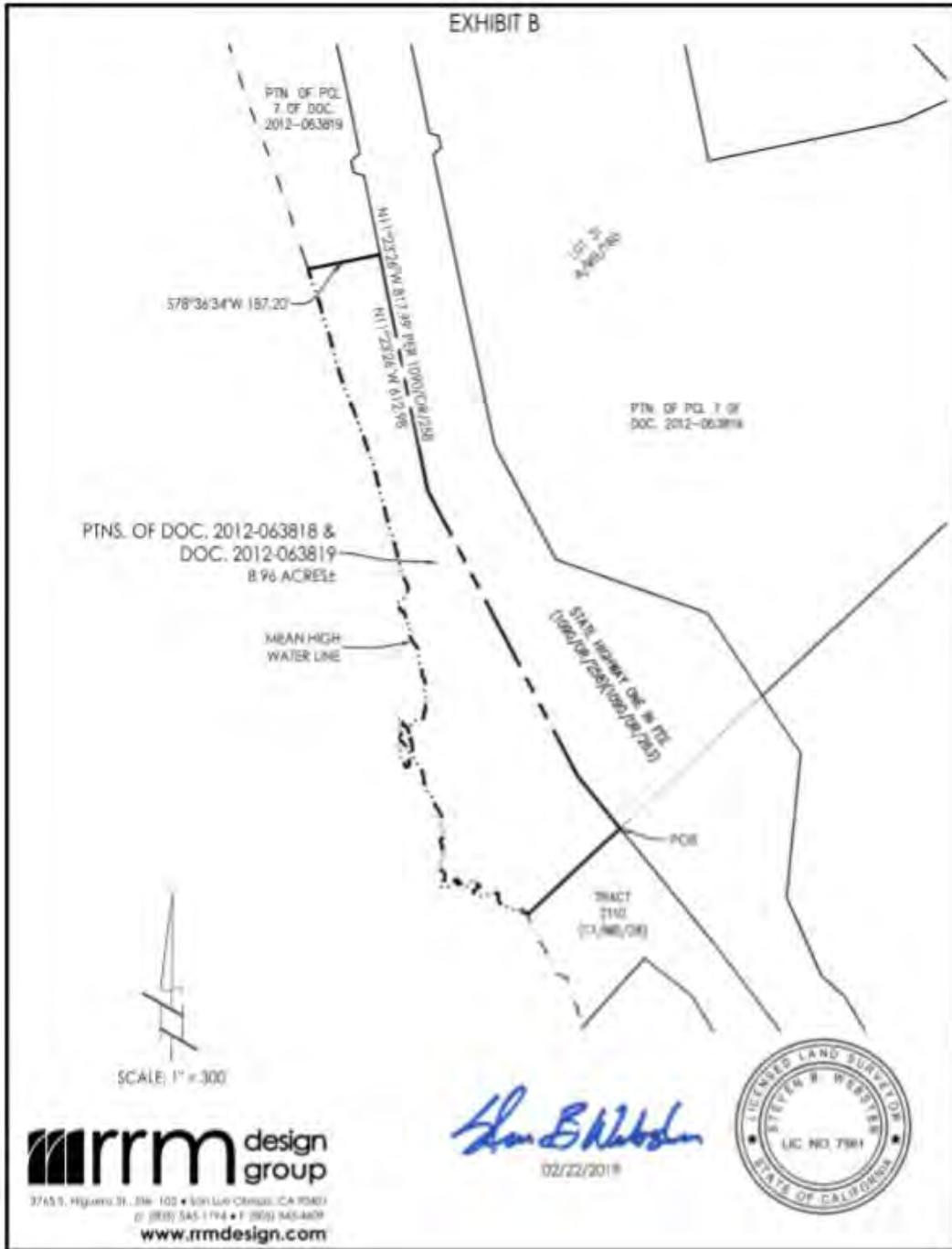
The land described contains 8.96 acres more or less and is shown graphically on Exhibit B herein attached.



2/22/19



PROPERTY AND LOT 6SW



LEGAL DESCRIPTION LOT 6NE

EXHIBIT A

Legal Description

That portion of the land described in Certificate of Compliance recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California, lying **easterly** of the easterly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) and lying **northerly** of the line described as follow:

Beginning at a point on the easterly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 568.21 feet from the northerly terminus of the curve described as Course No. 27 (curve to the right with a radius of 5064 feet through an angle of 9°11'44" for a distance of 812.74 feet) in said grant deeds to the State of California; thence, Leaving said easterly line South 79°39'49" East, a distance of 47.11 feet; thence,

North 88°27'29" East, a distance of 90.49 feet; thence,

North 41°14'20" East, a distance of 82.92 feet; thence,

North 55°42'33" East, a distance of 69.35 feet; thence,

North 69°30'56" East, a distance of 81.91 feet; thence,

North 37°12'23" East, a distance of 192.66 feet; thence,

North 17°23'43" East, a distance of 29.12 feet; thence,

North 52°12'38" East, a distance of 265.69 feet; thence,

North 33°24'02" East, a distance of 92.89 feet; thence,

North 17°28'07" East, a distance of 68.35 feet; thence,

North 1°50'22" East, a distance of 52.51 feet; thence,

North 17°30'52" West, a distance of 67.19 feet; thence,

North 29°00'29" East, a distance of 171.30 feet; thence,

North 44°40'37" East, a distance of 77.17 feet; thence,

North 32°12'22" East, a distance of 234.72 feet; thence,

North 58°54'34" East, a distance of 98.50 feet to the northwest corner of Lot 32 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County, also being the northwest corner of the parcel shown on the map filed in Book 113 of Record of Surveys at Page 12 in the County Recorder's Office of said County.

The land described contains 7.02 acres more or less and is shown graphically on Exhibit B herein attached.

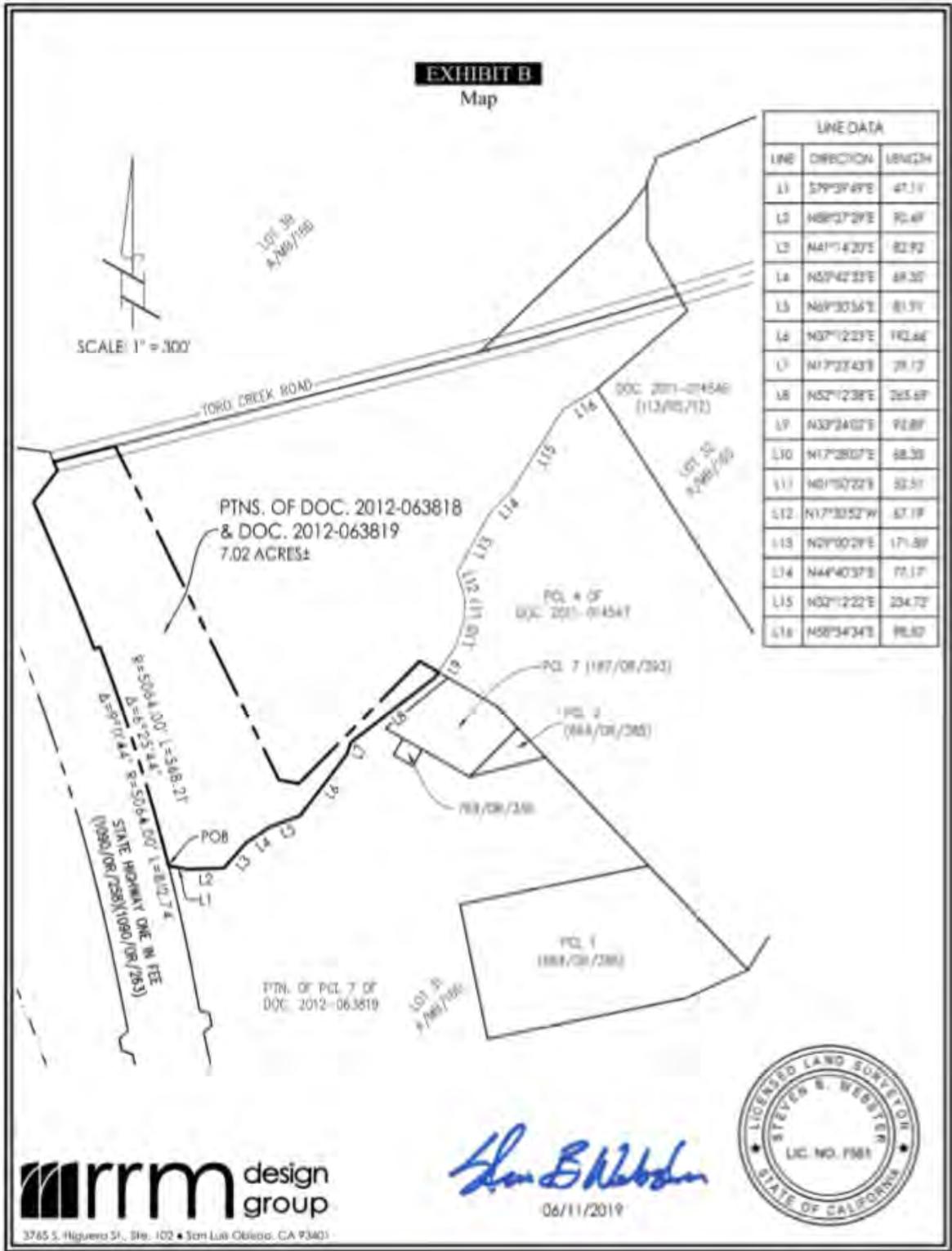


06/11/2019



Attachment 2

PROPERTY AND LOT 6NE



Attachment 2

LEGAL DESCRIPTION LOT 7N

EXHIBIT A Legal Description

That portion of land described in Certificate of Compliance recorded March 24, 2011 in Document No. 2011014547 of Official Records in the County Recorder's Office, County of San Luis Obispo, State of California lying northerly of the line described as follows:

Beginning at a point on the easterly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 568.21 feet from the northerly terminus of the curve described as Course No. 27 (curve to the right with a radius of 5064 feet through an angle of 9°11'44" for a distance of 812.74 feet) in said grant deeds to the State of California; thence,

Leaving said easterly line South 79°39'49" East, a distance of 47.11 feet; thence,

North 88°27'29" East, a distance of 90.49 feet; thence,

North 41°14'20" East, a distance of 82.92 feet; thence,

North 55°42'33" East, a distance of 69.35 feet; thence,

North 69°30'56" East, a distance of 81.91 feet; thence,

North 37°12'23" East, a distance of 192.66 feet; thence,

North 17°23'43" East, a distance of 29.12 feet; thence,

North 52°12'38" East, a distance of 265.69 feet; thence,

North 33°24'02" East, a distance of 92.89 feet; thence,

North 17°28'07" East, a distance of 68.35 feet; thence,

North 1°50'22" East, a distance of 52.51 feet; thence,

North 17°30'52" West, a distance of 67.19 feet; thence,

North 29°00'29" East, a distance of 171.30 feet; thence,

North 44°40'37" East, a distance of 77.17 feet; thence,

North 32°12'22" East, a distance of 234.72 feet; thence,

North 58°54'34" East, a distance of 96.50 feet to the northwest corner of Lot 32 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County, also being the northwest corner of the parcel shown on the map filed in Book 113 of Record of Surveys at Page 12 in the County Recorder's Office of said County.

The land described contains 15.89 acres more or less and is shown graphically on Exhibit B herein attached.

08/11/2019



Attachment 2

FUTURE LOT 6W LEGAL DESCRIPTION

Exhibit A Legal Description

That portion of the land described in Certificate of Compliances recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California, described as follows:

Beginning at a point on the westerly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being North $11^{\circ}23'26''$ West, a distance of 612.98 feet from the southerly terminus of the line described as Course No. 4 (North $11^{\circ}23'26''$ West, 817.99 feet) in said grant deeds to the State of California; thence, Northerly along said westerly line to a point being an arc distance of 696.64 feet from the northerly terminus of the curve described as Course No. 9 (curve to the left with a radius of 4879 feet through an angle of $11^{\circ}45'32''$ for a distance of 1001.32 feet) in said grant deeds to the State of California; thence, Leaving said westerly line, South $80^{\circ}34'29''$ West, a distance of 26.67 feet; thence, North $73^{\circ}38'47''$ West, a distance of 36.70 feet; thence, North $38^{\circ}30'11''$ West, a distance of 75.80 feet; thence, North $80^{\circ}39'34''$ West, a distance of 95.21 feet; thence, South $72^{\circ}39'00''$ West, a distance of 106.64 feet more or less to the mean high water line of Estero Bay; thence, Southerly along said mean high waterline to a point being South $78^{\circ}36'34''$ West from the Point of Beginning; thence, Leaving said mean high water line, North $78^{\circ}36'34''$ East, a distance of 187.20 feet more or less to the Point of Beginning.

The land described contains 4.28 acres more or less and is shown graphically on Exhibit B herein attached.



2/22/19



Attachment 2

LOT 6S (REMAINDER) LEGAL DESCRIPTION

EXHIBIT A

Legal Description

That portion of the land described in Certificate of Compliances recorded November 2, 2012 in Document No. 2012063818 and Document No. 2012063819 in the County Recorder's Office, County of San Luis Obispo, State of California, lying **easterly** of the easterly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) and lying **southerly** of the line described as follow;

Beginning at a point on the easterly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 568.21 feet from the northerly terminus of the curve described as Course No. 27 (curve to the right with a radius of 5064 feet through an angle of 9°11'44" for a distance of 812.74 feet) in said grant deeds to the State of California; thence, Leaving said easterly line South 79°39'49" East, a distance of 47.11 feet; thence,

North 88°27'29" East, a distance of 90.49 feet; thence,

North 41°14'20" East, a distance of 82.92 feet; thence,

North 55°42'33" East, a distance of 69.35 feet; thence,

North 69°30'56" East, a distance of 81.91 feet; thence,

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North 33°24'02" East, a distance of 92.89 feet; thence,

North 17°28'07" East, a distance of 68.35 feet; thence,

North 1°50'22" East, a distance of 52.51 feet; thence,

North 17°30'52" West, a distance of 67.19 feet; thence,

North 29°00'29" East, a distance of 171.30 feet; thence,

North 44°40'37" East, a distance of 77.17 feet; thence,

North 32°12'22" East, a distance of 234.72 feet; thence,

North 58°54'34" East, a distance of 98.50 feet to the northwest corner of Lot 32 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County, also being the northwest corner of the parcel shown on the map filed in Book 113 of Record of Surveys at Page 12 in the County Recorder's Office of said County.

The land described contains 58.66 acres more or less and is shown graphically on Exhibit B herein attached.

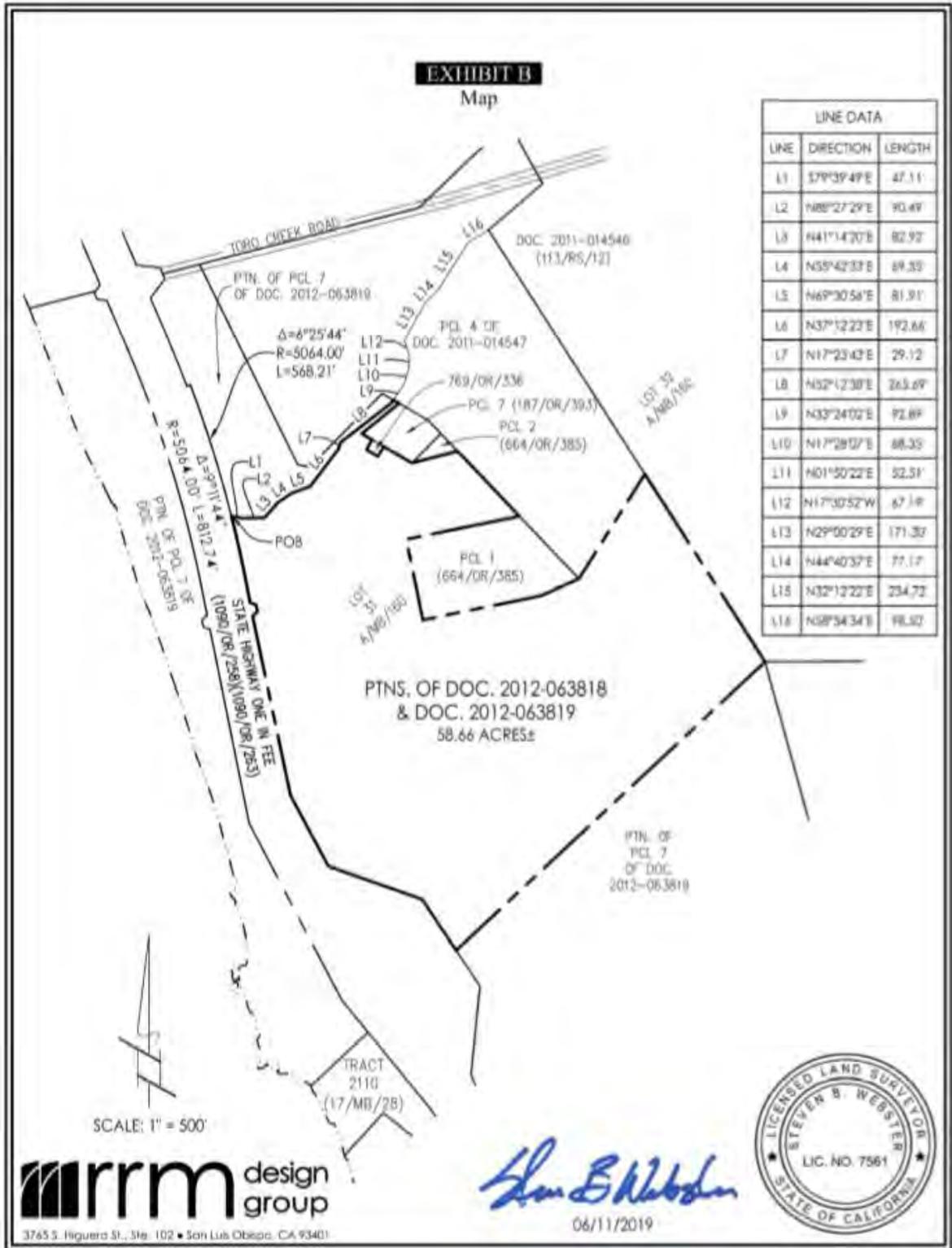


06/11/2019



Attachment 2

LOT 6S (REMAINDER) PROPERTY AND LOT



Attachment 2

LOT 7S (REMAINDER) LEGAL DESCRIPTION

EXHIBIT A Legal Description

That portion of land described in Certificate of Compliance recorded March 24, 2011 in Document No. 2011014547 of Official Records in the County Recorder's Office, County of San Luis Obispo, State of California lying **southerly** of the line described as follows:

Beginning at a point on the easterly line of the land described in the grant deeds to the State of California recorded in Book 1090 at Page 258 of Official Records and Book 1090 at Page 263 of Official Records in the County Recorder's Office of said County (State Highway One) being an arc distance of 568.21 feet from the northerly terminus of the curve described as Course No. 27 (curve to the right with a radius of 5064 feet through an angle of 9°11'44" for a distance of 812.74 feet) in said grant deeds to the State of California; thence, Leaving said easterly line South 79°39'49" East, a distance of 47.11 feet; thence, North 88°27'29" East, a distance of 90.49 feet; thence, North 41°14'20" East, a distance of 82.92 feet; thence, North 55°42'33" East, a distance of 69.35 feet; thence, North 69°30'56" East, a distance of 81.91 feet; thence, North 37°12'23" East, a distance of 192.66 feet; thence, North 17°23'43" East, a distance of 29.12 feet; thence, North 52°12'38" East, a distance of 265.69 feet; thence, North 33°24'02" East, a distance of 92.89 feet; thence, North 17°28'07" East, a distance of 68.35 feet; thence, North 1°50'22" East, a distance of 52.51 feet; thence, North 17°30'52" West, a distance of 67.19 feet; thence, North 29°00'29" East, a distance of 171.30 feet; thence, North 44°40'37" East, a distance of 77.17 feet; thence, North 32°12'22" East, a distance of 234.72 feet; thence, North 58°54'34" East, a distance of 98.50 feet to the northwest corner of Lot 32 according to the map of the subdivision of said Rancho filed in Book A of Maps at Page 160 of Maps in the County Recorder's Office of said County, also being the northwest corner of the parcel shown on the map filed in Book 113 of Record of Surveys at Page 12 in the County Recorder's Office of said County.

The land described contains 16.21 acres more or less and is shown graphically on Exhibit B herein attached.



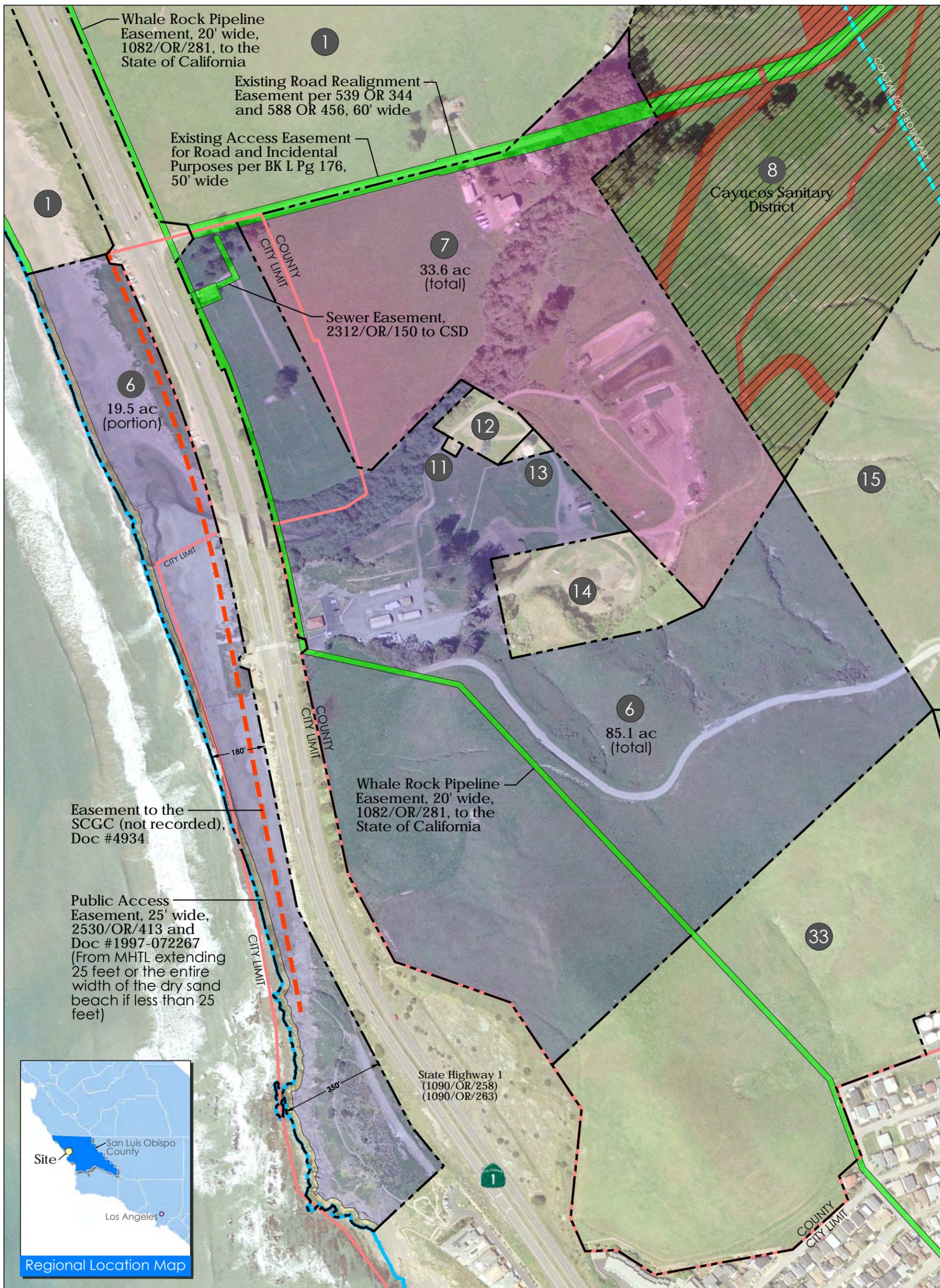
06/11/2019



Attachment 2

LOT 7S (REMAINDER) PROPERTY AND LOT





Chevron Estero Bay

SAN LUIS OBISPO COUNTY, CA



LOTS 6 AND 7 Existing Lots and Easements

Exhibit 1 of 7



JUN 17, 2019



LEGEND

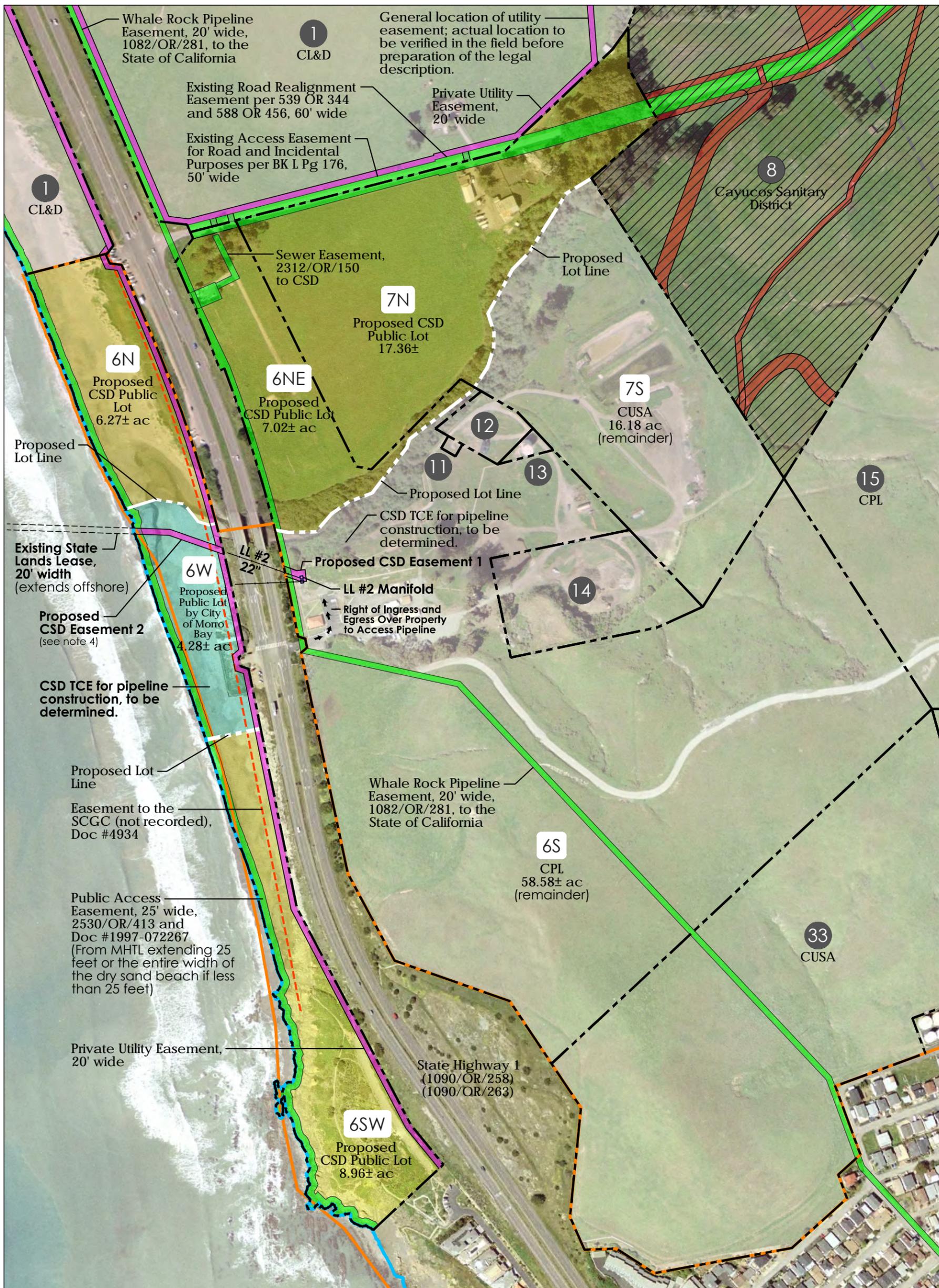
- Existing Lot Boundary
- Coastal Zone Boundary
- Sold Parcels: CSD Ownership
- Parcel 6 - Existing
- Parcel 7 - Existing
- Existing Easements
- Recorded Easements for Chevron
- Gas Line Easement to SCGC
- Mean High Water Line

NOTES/SOURCES

1. Mean High Water (MHW) elevation 4.7 feet (NAVD88). MHW based on "USGS open-file report 2005-1027, an operational mean high water datum for determination of shoreline position from topographic LIDAR data" Table 3.
2. Aerial photo and parcel data from Cannon.
3. Other data from County of San Luis Obispo Open Data 04-2016.
4. This map is for illustrative purposes only.

LOT DETAIL

Lot	Ac	Owner
11	0.06	CUSA
12	1.04	CUSA
13	0.20	CUSA
14	4.46	CUSA



Chevron Estero Bay

SAN LUIS OBISPO COUNTY, CA



Proposed Public and Remainder Lots

Exhibit 2 of 7



JUN 17, 2019



LEGEND

- Existing Lot Boundary
- Proposed Lot Boundary
- Coastal Zone Boundary
- Sold Parcels: CSD Ownership
- Proposed CSD Public Lots
- Proposed Lot 6W
- Existing Easements
- Proposed Easements
- Recorded Easements for Chevron
- Gas Line Easement to SCGC

- Mean High Water Line
- Lot - Existing/Proposed

NOTES/SOURCES

1. Mean High Water (MHW) elevation 4.7 feet (NAVD88). MHW based on "USGS open-file report 2005-1027, an operational mean high water datum for determination of shoreline position from topographic LIDAR data" Table 3.
2. Aerial photo and parcel data from Cannon.
3. Other data from County of San Luis Obispo Open Data 04-2016.
4. Proposed easements are preliminary and will be verified/modified as needed for final design.
5. This map is for illustrative purposes only.

ABBREVIATIONS

- CPL: Chevron Pipeline Co
- CUSA: Chevron USA
- CL&D: Chevron Land and Development
- CSD: Cayucos Sanitary District
- SCGC: Southern California Gas Co

LOT DETAIL

Lot #	Ac	Owner
11	0.06	CUSA
12	1.04	CUSA
13	0.20	CUSA
14	4.46	CUSA



Chevron Estero Bay

SAN LUIS OBISPO COUNTY, CA



Proposed CSD Public Lot 7N

Exhibit 2 of 5



MAY 1, 2019



LEGEND

- Existing Lot Boundary
- Proposed Lot Boundary
- Coastal Zone Boundary
- Sold Parcels: CSD Ownership
- Proposed Lots 6N, 6SW, 7N
- Proposed Lot 6W
- Existing Easements
- Proposed Easements
- Recorded Easements for Chevron
- Gas Line Easement to SCGC

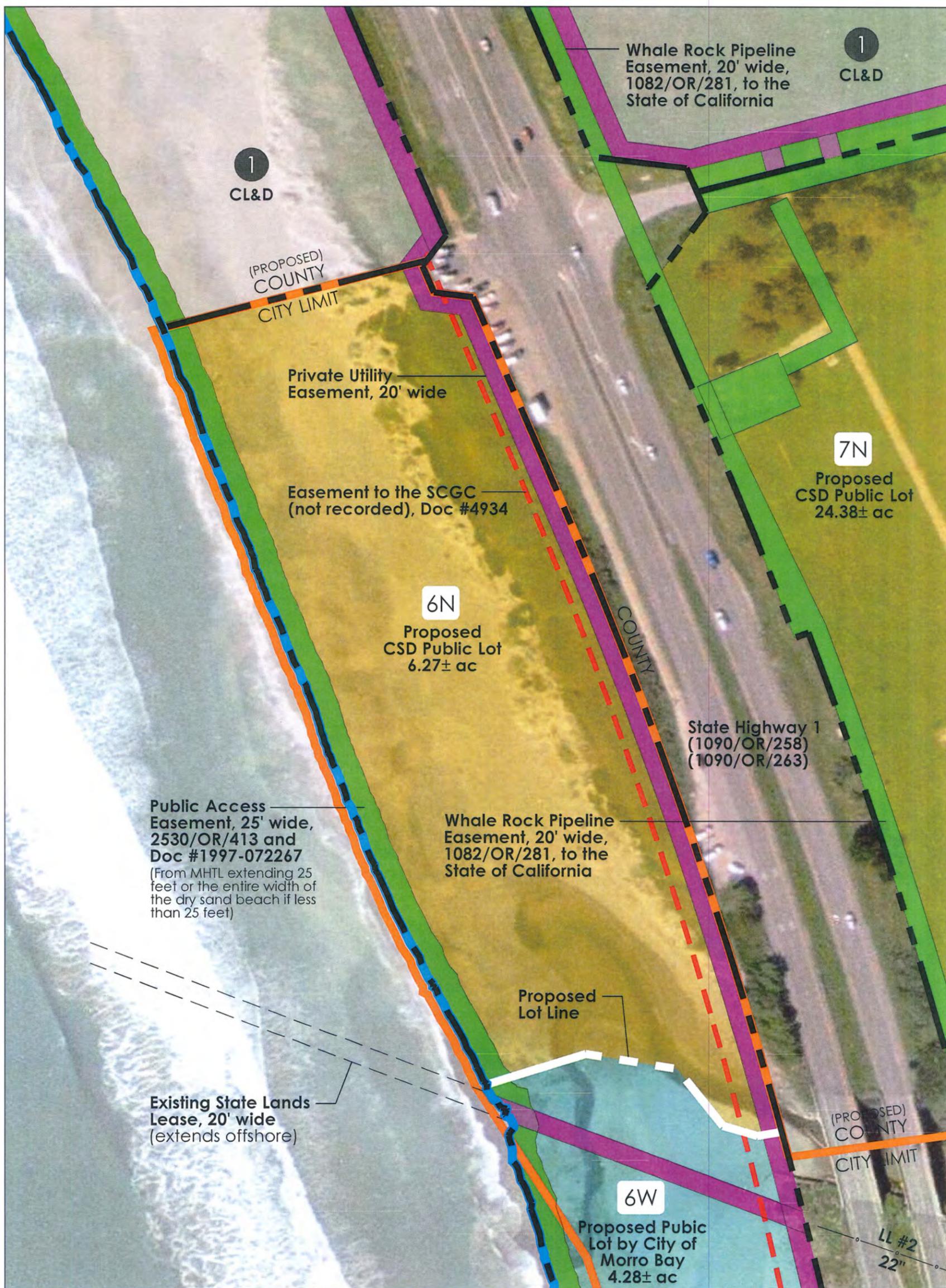
- Mean High Water Line
- Lot - Existing/Proposed

NOTES/SOURCES

1. Mean High Water (MHW) elevation 4.7 feet (NAVD88). MHW based on "USGS open-file report 2005-1027, an operational mean high water datum for determination of shoreline position from topographic LIDAR data" Table 3.
2. Aerial photo and parcel data from Cannon.
3. Other data from County of San Luis Obispo Open Data 04-2016.
4. Proposed easements are preliminary and will be verified/modified as needed for final design.
5. This map is for illustrative purposes only.

ABBREVIATIONS

- CPL: Chevron Pipeline Co
- CUSA: Chevron USA
- CL&D: Chevron Land and Development
- CSD: Cayucas Sanitary District
- SCGC: Southern California Gas Co



Chevron Estero Bay

SAN LUIS OBISPO COUNTY, CA



Proposed CSD Public Lot 6N

Exhibit 3 of 5



MAY 1, 2019

LEGEND

- Existing Lot Boundary
- Proposed Lot Boundary
- Coastal Zone Boundary
- Sold Parcels: CSD Ownership
- Proposed Lots 6N, 6SW, 7N
- Proposed Lot 6W
- Existing Easements
- Proposed Easements
- Recorded Easements for Chevron
- Gas Line Easement to SCGC

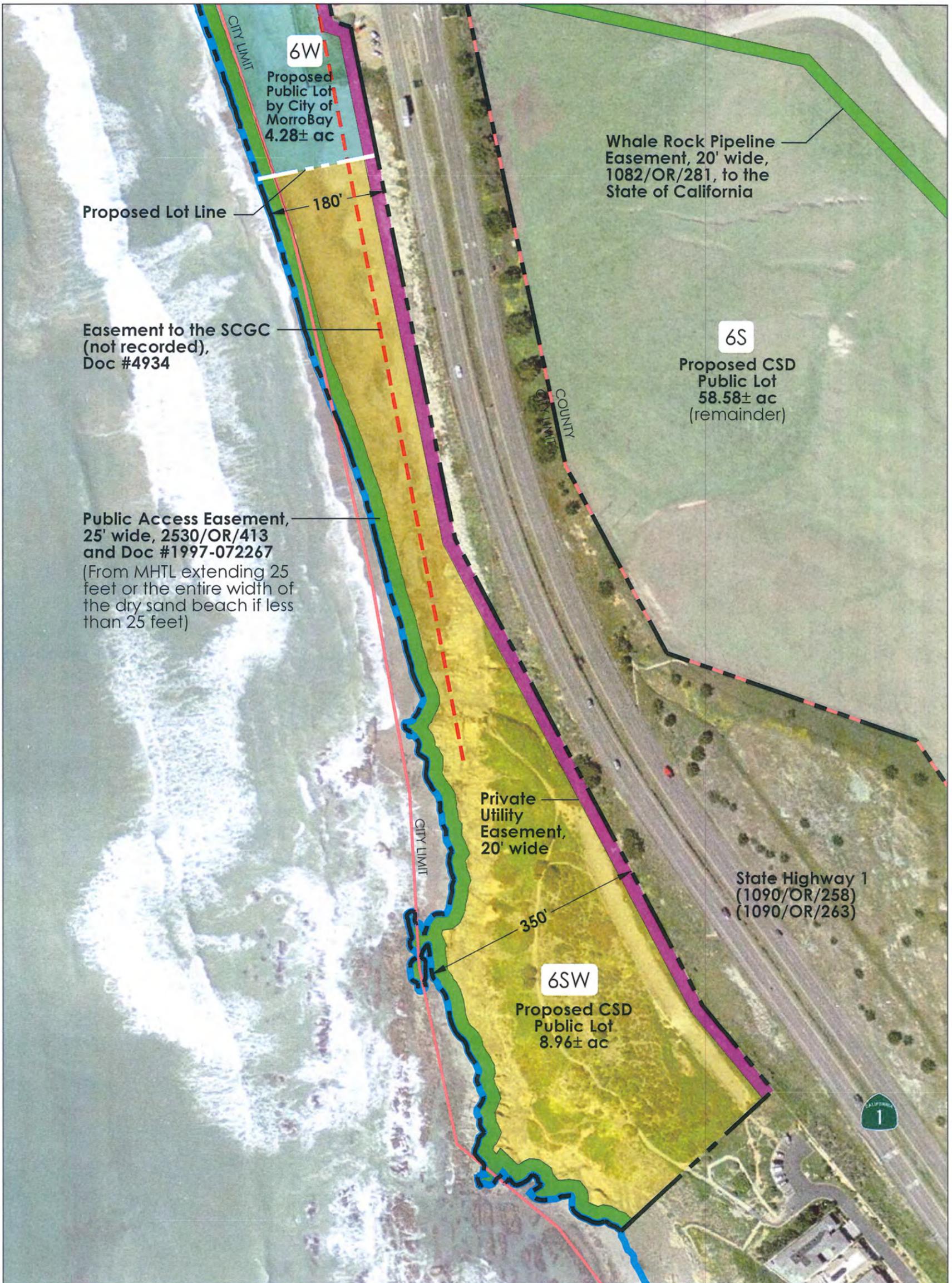
- Mean High Water Line
- Lot - Existing/Proposed

NOTES/SOURCES

1. Mean High Water (MHW) elevation 4.7 feet (NAVD88). MHW based on "USGS open-file report 2005-1027, an operational mean high water datum for determination of shoreline position from topographic LIDAR data" Table 3.
2. Aerial photo and parcel data from Cannon.
3. Other data from County of San Luis Obispo Open Data 04-2016.
4. Proposed easements are preliminary and will be verified/modified as needed for final design.
5. This map is for illustrative purposes only.

ABBREVIATIONS

- CPL: Chevron Pipeline Co
- CUSA: Chevron USA
- CL&D: Chevron Land and Development
- CSD: Cayucos Sanitary District
- SCGC: Southern California Gas Co



Chevron Estero Bay

SAN LUIS OBISPO COUNTY, CA
Chevron

Proposed CSD Public Lot 6SW

Exhibit 4 of 5



LEGEND

- Existing Lot Boundary
- Proposed Lot Boundary
- Coastal Zone Boundary
- Sold Parcels: CSD Ownership
- Proposed Lots 6N, 6SW, 7N
- Proposed Lot 6W
- Existing Easements
- Proposed Easements
- Recorded Easements for Chevron
- Gas Line Easement to SCGC

- Mean High Water Line
- Lot - Existing/Proposed

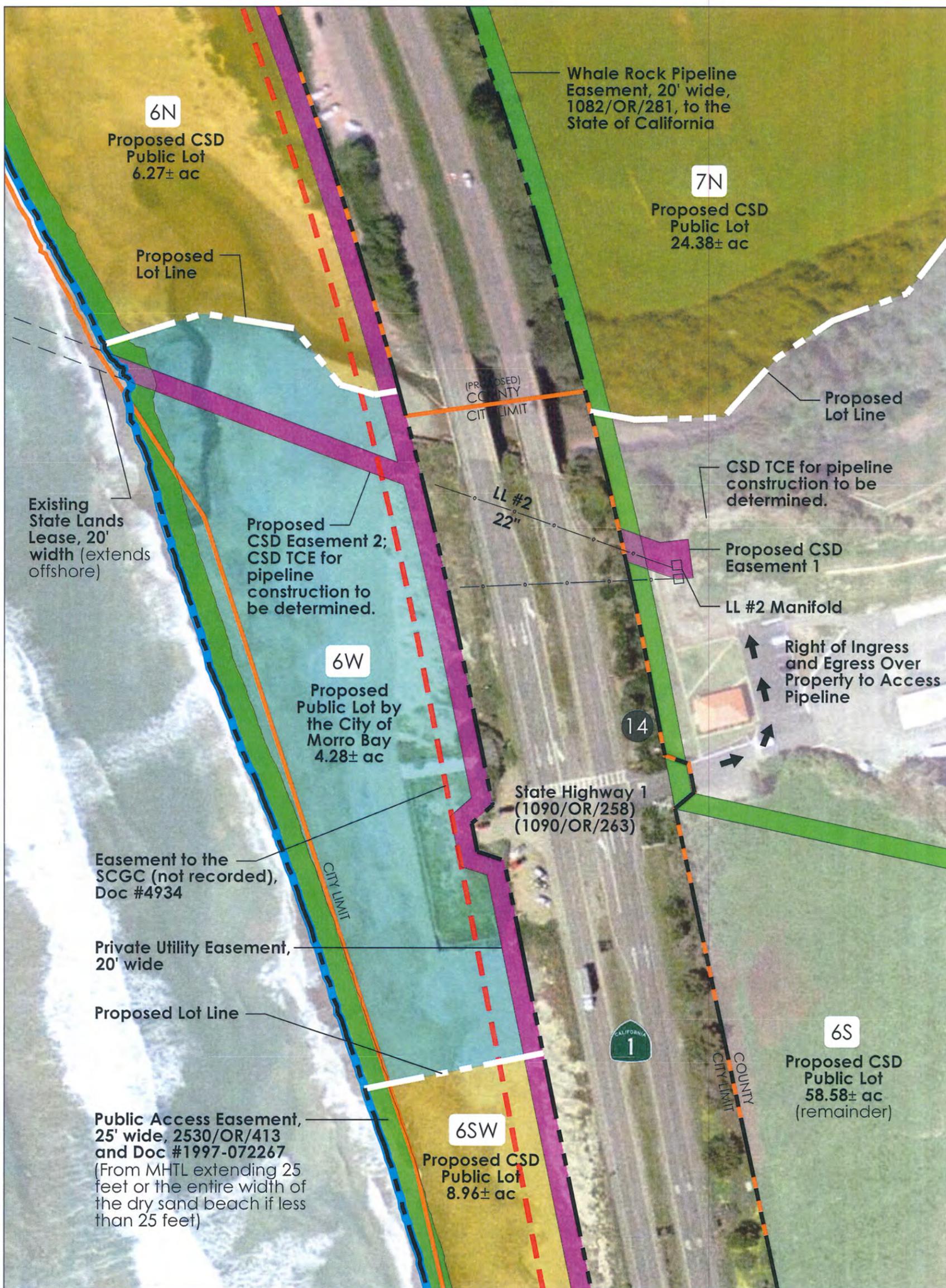
NOTES/SOURCES

1. Mean High Water (MHW) elevation 4.7 feet (NAVD88). MHW based on "USGS open-file report 2005-1027, an operational mean high water datum for determination of shoreline position from topographic LIDAR data" Table 3.
2. Aerial photo and parcel data from Cannon.
3. Other data from County of San Luis Obispo Open Data 04-2016.
4. Proposed easements are preliminary and will be verified/modified as needed for final design.
5. This map is for illustrative purposes only.

ABBREVIATIONS

- CPL: Chevron Pipeline Co
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- CSD: Cayucas Sanitary District
- SCGC: Southern California Gas Co





Chevron Estero Bay

SAN LUIS OBISPO COUNTY, CA
Chevron

Proposed Public Lot 6W By City of Morro Bay

Exhibit 5 of 5



MAY 1, 2019

LEGEND

- Existing Lot Boundary
- Proposed Lot Boundary
- Coastal Zone Boundary
- Sold Parcels: CSD Ownership
- Proposed Lots 6N, 6SW, 7N
- Proposed Lot 6W
- Existing Easements
- Proposed Easements
- Recorded Easements for Chevron
- Gas Line Easement to SCGC

- Mean High Water Line
- Lot - Existing/Proposed

NOTES/SOURCES

1. Mean High Water (MHW) elevation 4.7 feet (NAVD88). MHW based on "USGS open-file report 2005-1027, an operational mean high water datum for determination of shoreline position from topographic LIDAR data" Table 3.
2. Aerial photo and parcel data from Cannon.
3. Other data from County of San Luis Obispo Open Data 04-2016.
4. Proposed easements are preliminary and will be verified/modified as needed for final design.
5. This map is for illustrative purposes only.

ABBREVIATIONS

- CPL: Chevron Pipeline Co
- CUSA: Chevron USA
- CL&D: Chevron Land and Development
- CSD: Cayucos Sanitary District
- SCGC: Southern California Gas Co



CAYUCOS SANITARY DISTRICT



CONSTRUCTION PLANS FOR CAYUCOS SUSTAINABLE WATER PROJECT LIFT STATION 5



PROJECT AREA MAP
NOT TO SCALE

CONTACT LIST

OWNER
CAYUCOS SANITARY DISTRICT
200 ASH AVENUE
CAYUCOS, CA 93430
RICK KOON, DISTRICT MANAGER
805-995-3290

ENGINEER OF RECORD
WATER SYSTEMS CONSULTING, INC.
805 AEROVISTA PLACE, SUITE 201
SAN LUIS OBISPO, CA 93401
DYLAN WADE, PE, CCM
805-457-8833

J CALTON ENGINEERING
JOHN CALTON, PE
916-375-9797

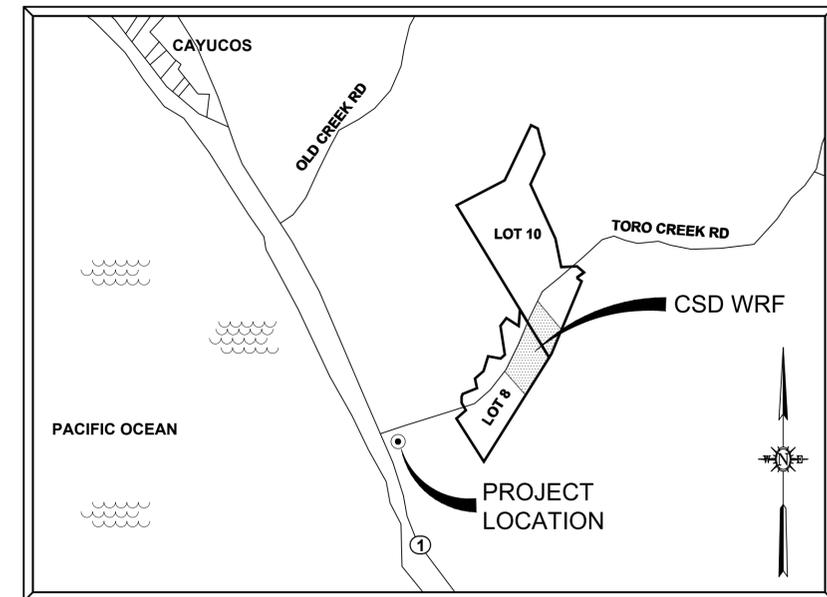
ASHLEY & VANCE ENGINEERING
1413 MONTEREY STREET
SAN LUIS OBISPO, CA 93401
IAN SHOEBRIDE, SE
805-545-0010

GEOSOLUTIONS
220 HIGH STREET
SAN LUIS OBISPO, CA 93401
KELLY ROBINSON, PhD, PE
805-543-8539

PROJECT INFO

SITE ADDRESS
100 TORO CREEK ROAD
MORRO BAY, CA

APN:
073 075 016



PROJECT VICINITY MAP
NOT TO SCALE

DRAFT - NOT FOR CONSTRUCTION

Path: C:\Users\pdsantini\Dropbox\CSWP\Shared\Working_Files\5-Lift_Station_5 File: CSWP\5-00-001.dwg Plot Date: June 12, 2019 - 2:27 PM CADD User: Paul D'Santi

REV	DATE	BY	DESCRIPTION

WARNING

IF THIS BAR DOES NOT MEASURE 1" THEN DRAWING IS NOT TO SCALE.

DESIGNED	KCS
DRAWN	PMD
CHECKED	DW
SCALE	NONE

WSC
WATER SYSTEMS CONSULTING, INC.

805 AEROVISTA PARK, SUITE 201
SAN LUIS OBISPO, CA 93401
PH: (805)457-8833 FAX: (805)888-2764



APPROVED:	DATE
ENGINEER	DATE
REVIEWED BY CSD:	DATE
DISTRICT MANAGER	DATE

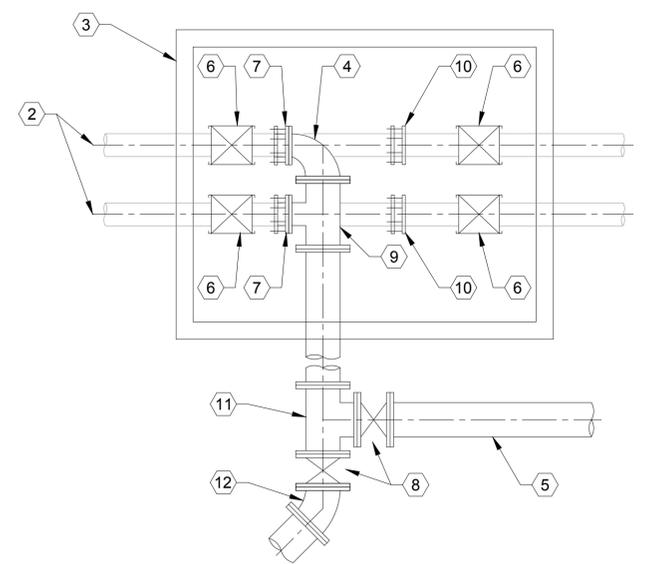


CAYUCOS SUSTAINABLE WATER PROJECT	
LIFT STATION 5	
00 GENERAL	
TITLE SHEET	

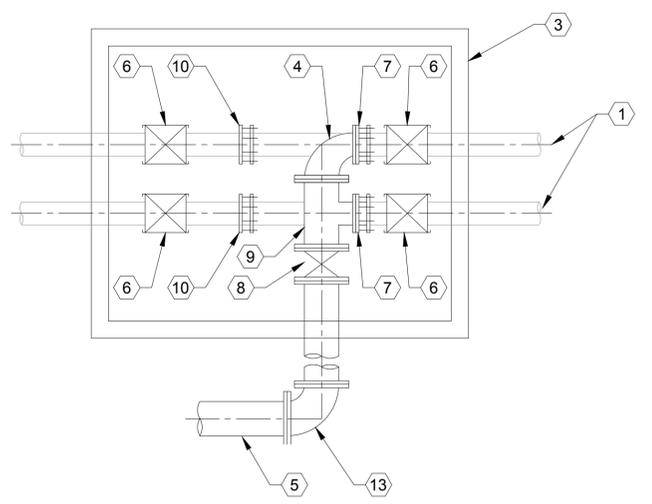
DRAWING NO.	00-001
SHEET 1 OF 2	PROJECT #

SHEET KEYNOTES

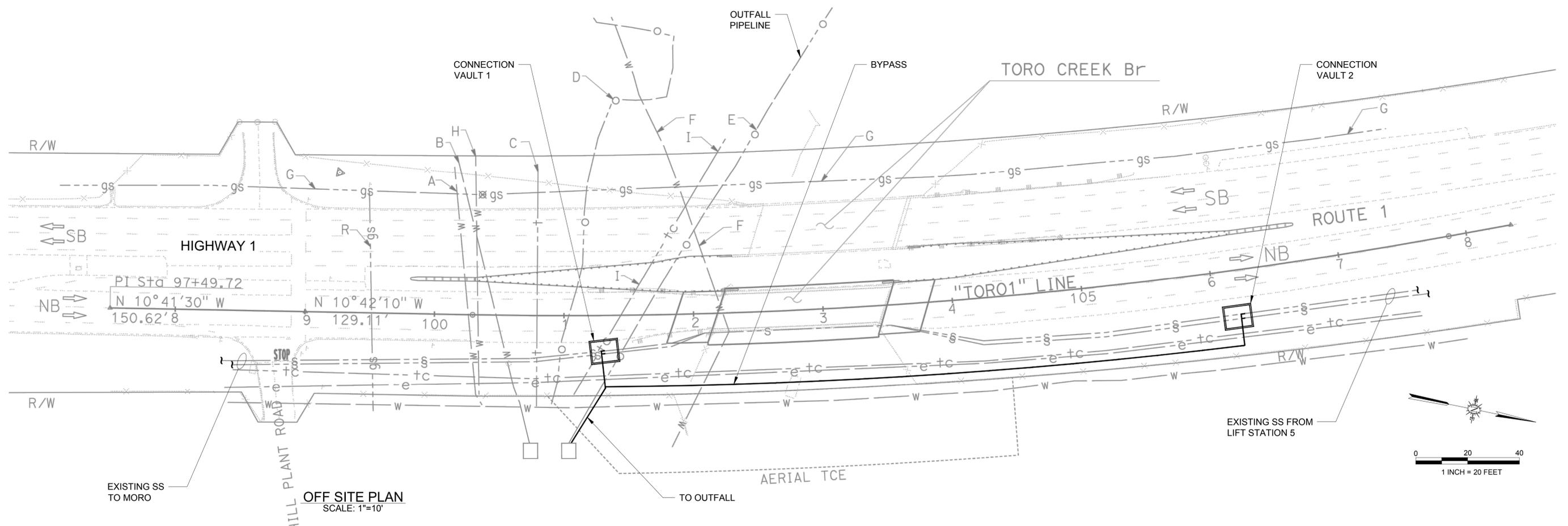
- 1. EXISTING 8" SS FROM LIFT STATION 5
- 2. EXISTING 8" SS TO MORRO BAY WWTP
- 3. 7'-0" X 10'-0" VALVE VAULT
- 4. 12" x8" DIP REDUCING 90° BEND, FLG
- 5. 12" TEMPORARY BYPASS LINE
- 6. 8" INSERTA VALVE
- 7. 8" RESTRAINED FLANGE ADAPTER
- 8. 12" FLG GATE VALVE
- 9. 12"x8" DIP REDUCING TEE, FLG
- 10. 8" RESTRAINED FLANGE ADAPTER WITH BLIND FLANGE
- 11. 12"x12" DIP TEE, FLG
- 12. 12" DIP 45° BEND, FLG
- 13. 12" DIP 90° BEND, FLG



CONNECTION VAULT 1 DETAIL
SCALE: 3/8"=1'-0"



CONNECTION VAULT 2 DETAIL
SCALE: 3/8"=1'-0"



OFF SITE PLAN
SCALE: 1"=10'

DRAFT - NOT FOR CONSTRUCTION

Path: C:\Users\psanti\Dropbox\CSWP-Shared\Working_Files\5_Lift_Station_5 File name: CSWP\55-55-C201.dwg Plot Date: June 12, 2019 - 5:47 PM CADD User: Paul D'Santi

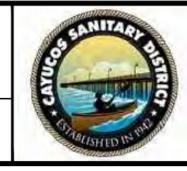
REV	DATE	BY	DESCRIPTION



DESIGNED	KCS
DRAWN	PMD
CHECKED	DW
SCALE	AS NOTED

WSC
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APPROVED:	DATE
ENGINEER	DATE
REVIEWED BY CSD:	DATE
DISTRICT MANAGER	DATE



CAYUCOS SUSTAINABLE WATER PROJECT
LIFT STATION 5
01 SITEWORK

OFFSITE IMPROVEMENTS

DRAWING NO.	01-C201
SHEET * OF *	
PROJECT #	

A

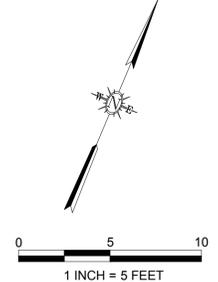
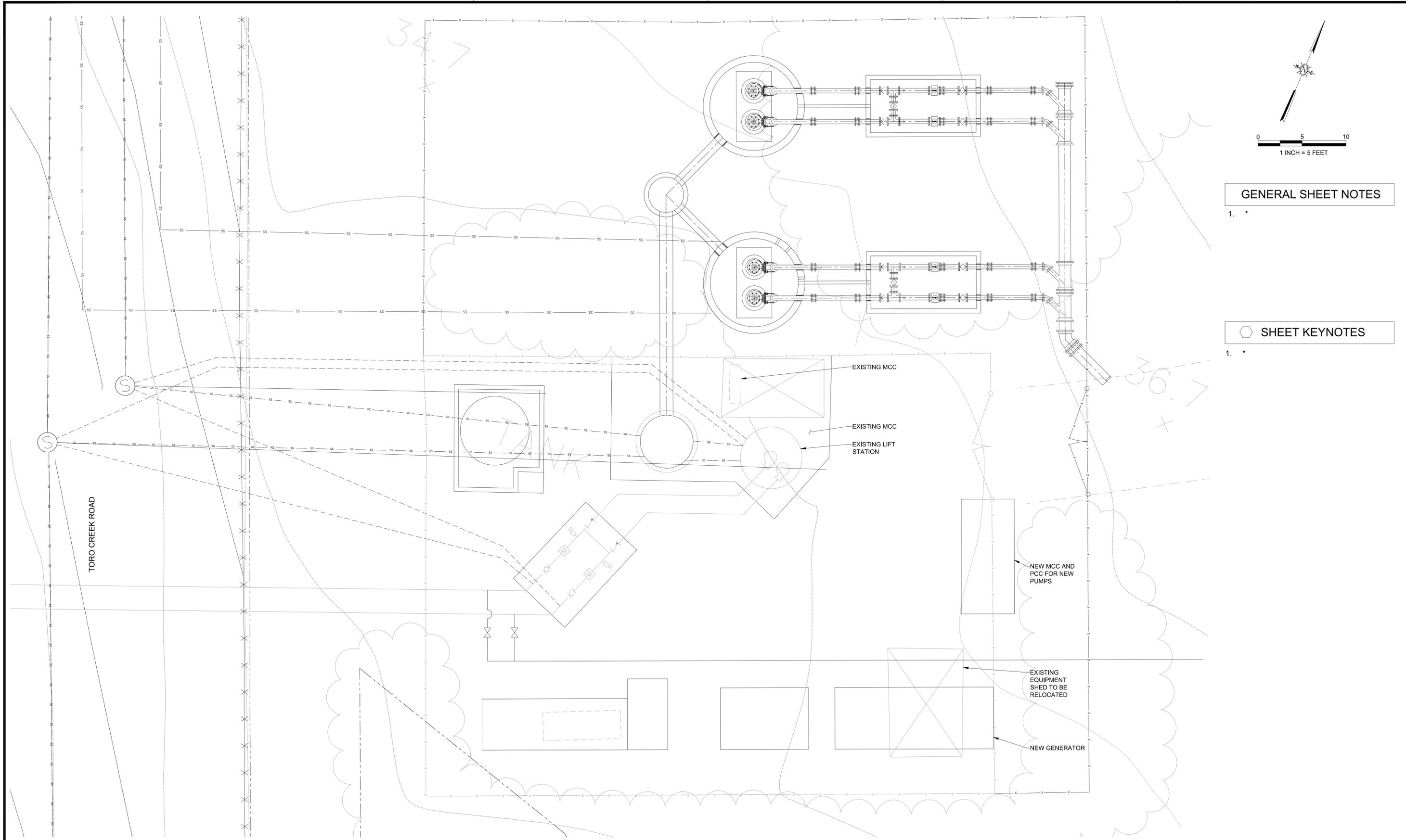
B

Attachment 4

D

E

F



GENERAL SHEET NOTES

1. *

SHEET KEYNOTES

1. *

Path: C:\Users\psanti\Dropbox\CSWP-Shared\Working_Files\5_Lift_Station_5 File name: CSWP\55-55-C101.dwg Plot Date: June 3, 2019 - 10:31 PM CADD User: Paul D'Santi

REV	DATE	BY	DESCRIPTION

WARNING
 0 1/2 1
 IF THIS BAR DOES NOT MEASURE 1" THEN DRAWING IS NOT TO SCALE.

DESIGNED: KCS
 DRAWN: PMD
 CHECKED: DW
 SCALE: 1"=50'

WSC
WATER SYSTEMS CONSULTING, INC.
 805 AEROVISTA PARK, SUITE 201
 SAN LUIS OBISPO, CA 93401
 PH: (805)457-8833 FAX: (805)888-2764



APPROVED: _____ DATE _____
 ENGINEER: _____ DATE _____
 REVIEWED BY CSD: _____
 DISTRICT MANAGER: _____ DATE _____

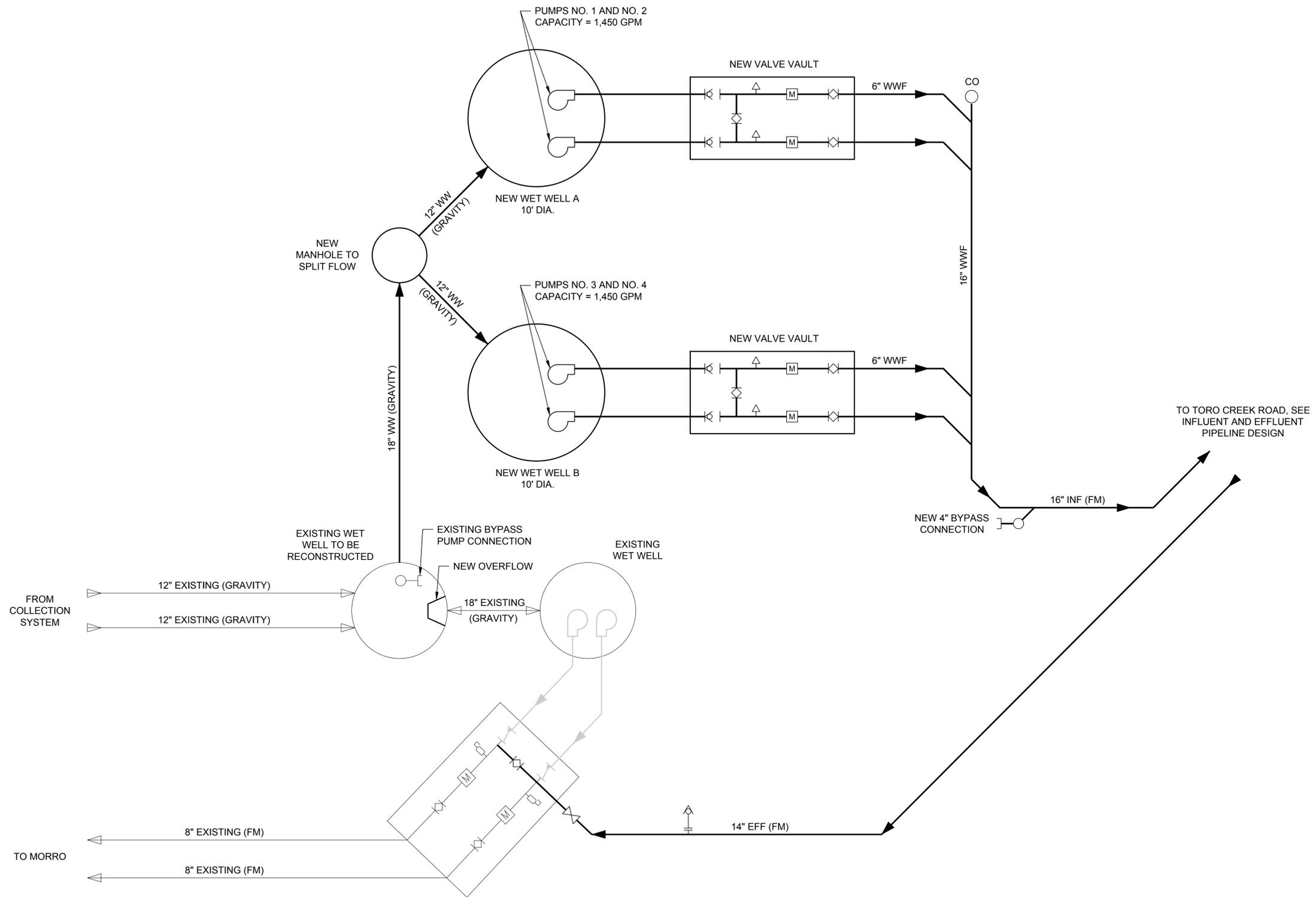


CAYUCOS SUSTAINABLE WATER PROJECT
LIFT STATION 5
 01 SITEWORK
SITE PLAN

DRAWING NO. **01-C101**
 SHEET * OF *
 PROJECT #

LEGEND

- PROCESS FLOW NEW
- PROCESS FLOW EXISTING
- PROCESS FLOW EXISTING (TO BE ABANDONED)
- FLOW MEASUREMENT
- GATE VALVE
- PLUG VALVE
- BALL CHECK VALVE
- BLIND FLANGE
- WASHDOWN FIRE HYDRANT
- AIR VAC
- CLEANOUT
- ABOVE GRADE 4" CAM LOCK QUICK CONNECT



Path: C:\Users\pdsanti\Dropbox\CSWP-Shared\Working_Files\5-Lift_Station_5 File name: CSWP\LS5-00-005.dwg Plot Date: June 3, 2019 - 6:59 PM CADD User: Paul D'Santi

REV	DATE	BY	DESCRIPTION

WARNING

IF THIS BAR DOES NOT MEASURE 1" THEN DRAWING IS NOT TO SCALE.

DESIGNED	KCS
DRAWN	PMD
CHECKED	DW
SCALE	NONE

805 AEROVISTA PARK, SUITE 201
SAN LUIS OBISPO, CA 93401
PH: (805)457-8833 FAX: (805)888-2764



APPROVED:	
ENGINEER	DATE
REVIEWED BY CSD:	
DISTRICT MANAGER	DATE

CAYUCOS SUSTAINABLE WATER PROJECT
LIFT STATION 5
00 GENERAL
PROCESS FLOW DIAGRAM

DRAWING NO.	00-005
SHEET * OF *	
PROJECT #	



Outfall Location & Jurisdictional Boundaries

Legend:

- Cayucos Sanitary District Boundaries
- Coastal Zone Boundary
- City of Morro Bay Boundary

General Plan Land Use Designations

- Agriculture
- Commercial Retail
- Commercial Service
- Industrial
- Multi-Land Use Category
- Office Professional
- Open Space
- Public Facility
- Recreation
- Rural Lands
- Residential Multi-Family
- Residential Rural
- Residential Suburban
- Residential Single Family



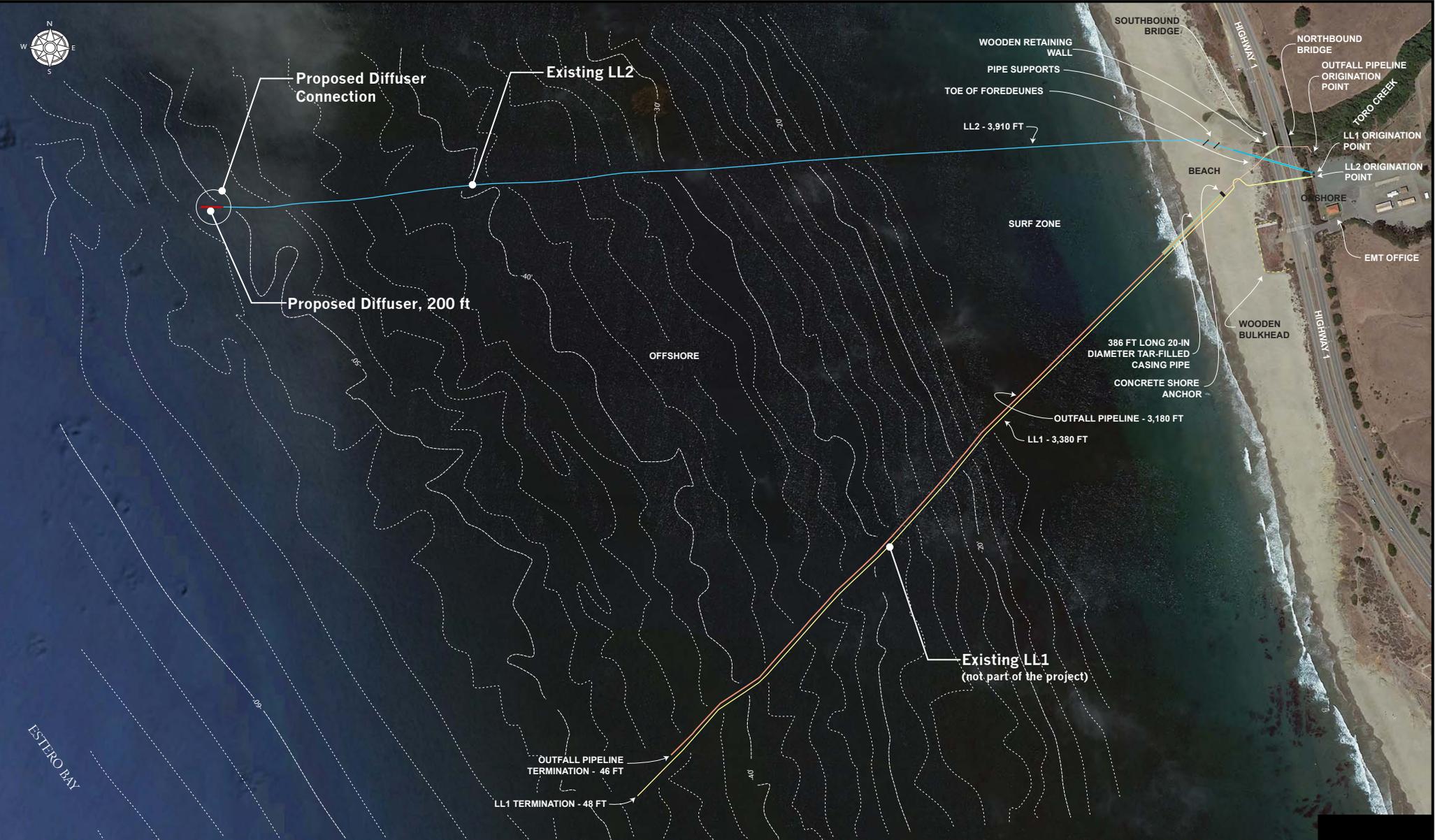
North

**FIG
1**

file path: MAP01 file#21612



Cayucos Sustainable Water Project Outfall



Existing Offshore Facilities & Proposed Diffuser



FIG 2

Attachment 5

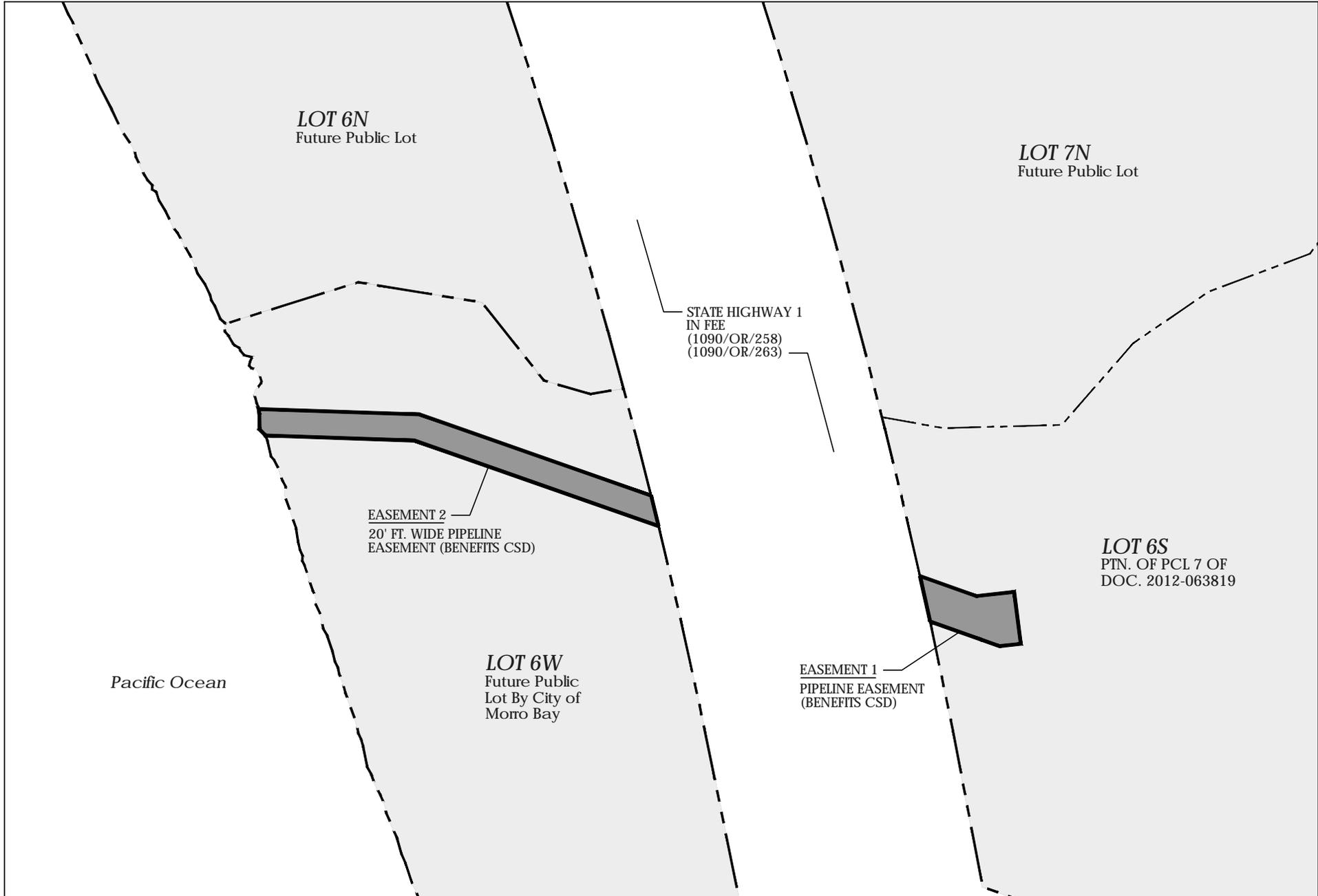
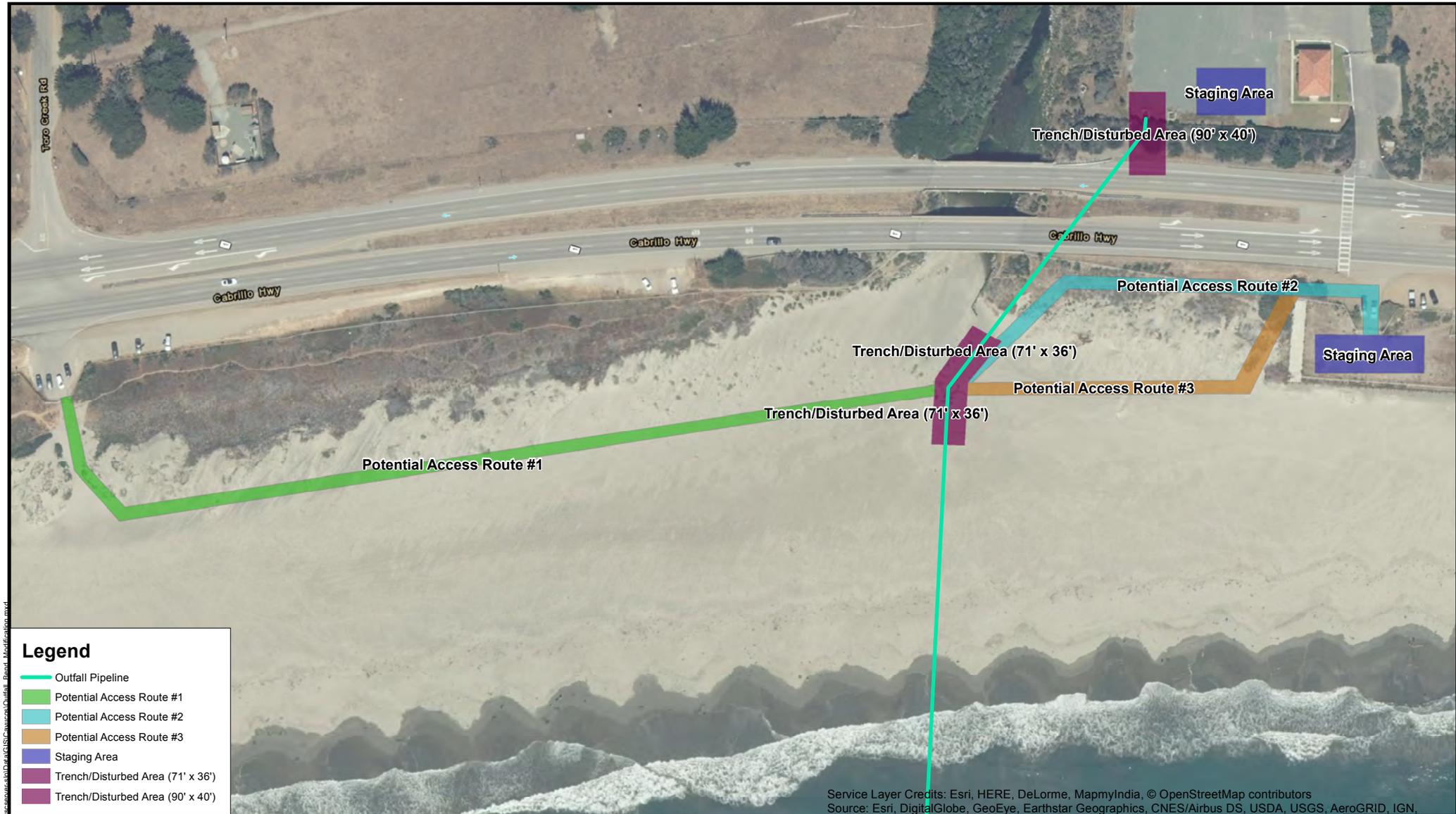


Exhibit
Map of Easement Areas
OFFSHORE LL#2

LEGEND
Easements 1 and 2

100 0 100 FT

Drawn By: BAS Scale: 1" = 100' Date: 05.15.19 Sheet: 1 of 1



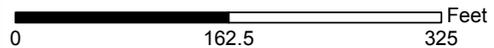
Legend

- Outfall Pipeline
- Potential Access Route #1
- Potential Access Route #2
- Potential Access Route #3
- Staging Area
- Trench/Disturbed Area (71' x 36')
- Trench/Disturbed Area (90' x 40')

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 Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN.



Outfall 30° Bend Modification



**FIG
4**